Daily Report

Latin America

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Castro Not To Propose Reentry Into OAS at Summit

PA1406134994 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1237 GMT 14 Jun 94

[Interview with President Fidel Castro by unidentified reporter in Cartagena de Indias, Colombia, on 13 June—recorded]

[Text] [Castro] We have made progress in Cuba. Everyone there is waiting to hear the presidents' positions.

[Reporter] Will you meet with Honduran President Carlos Roberto Reina? He wants to meet with you.

[Castro] I will gladly meet with anyone who wants to meet with me.

[Reporter] Do you think you will achieve Cuba's reentry into the OAS?

[Castro] Well, I don't know.

[Reporter] Will you present that position?

[Castro] No, I will not.

[Reporter] What is Cuba's interest [words indistinct] Honduras? [words indistinct]

[Castro] We have some things we want to say, but they will have to wait until tomorrow.

Further on Castro Remarks

PA1406125894 Mexico City NOTIMEX in Spanish 0440 GMT 14 Jun 94

[Text] Cartagena de Indias, 13 Jun (NOTIMEX)—Cuban President Fidel Castro denied here today that he will propose the possible return of Cuba to the OAS at the Fourth Ibero-American Summit. He said he will meet with those presidents who wish to do so.

Upon his arrival in this northern Colombian city, Castro said there has been progress in all the Ibero-American summits, but he explained that we must wait for the pronouncements by all the presidents attending the summit.

"We have things to say, but we must wait until tomorrow," Castro said in brief statements to the media at the Rafael Nunez Airport, in view of their insistence.

"We will meet with all those wishing to meet with us," the Cuban president said, when asked about possible bilateral meetings he might hold during his stay in Cartagena.

When questioned about a possible return of Cuba to the OAS, Castro said he will not raise the subject in the summit of presidents of Latin America, Spain, and Portugal.

Cuba was expelled from the OAS in 1962, three years after the revolution led by Castro.

The Cuban president arrived at 2315 (0415 GMT) and was greeted at the air terminal by Colombian Foreign Minister Noemi Sanin and author Gabriel Garcia Marquez.

Castro was the last of the 22 chiefs of state and government to arrive here. Together with Dominican Vice President Carlos Morales Troncoso, they will participate in the summit which opens here, tomorrow, Tuesday.

Ibero-American Heads of State Summit Opens

Brazilian President Opens Summit

PY1406234794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1416 GMT 14 Jun 94

[Speech by Brazilian President Itamar Franco at the opening ceremony of the Fourth Ibero-American Summit in Cartagena de Indias—live; in Portuguese]

[Text] Messrs. Chiefs of State and Government, Messrs. Foreign Ministers, Messrs. Ministers, Mr. Governor of the Department of Bolivar, Mr. Mayor of Cartagena, Mr. Commander of the Naval Fleet of the Atlantic, Messrs. Lawmakers, Ladies and Gentlemen.

Messrs. Chiefs of State and Government: We are beginning the Ibero-American conference of chiefs of state and government, which is in its fourth year of existence, based on our mutual appreciation and our common values, which have given rise to this conference and which have consolidated it.

I was pleased to welcome you in 1993 in the city of Salvador, where I could see everyone's desires to nurture and enhance the affinities that time and history have bequeathed to us. Guadalajara, Madrid, Salvador, and Cartagena are stopovers in a journey leading to a future of solidaristic interaction, heading for peace, prosperity for our peoples, and social justice.

Commerce and integration as factors of Ibero-American development—the topics on this Summit's agenda—are the natural consequence of previous debates. Here we will analyze the factors that condition commercial and economic development in our nations.

The fact that everyone (?is familiar) with everyone else's course allows debates to be frank and, above all, friendly.

In the commercial area, we strive for fair rules and for really open markets.

We conceive of regional integration as a process that supplements trade between the various regions of the earth. We agree on the need to couple the efficiency that is essential for growth with better living standards for our people.

We have a broad consensus at this summit. We are supported by the agreements that we reached in the past on the pressing need for a new agenda for development, which may raise the issue to the level of a United Nations priority.

Mr. President Cesar Gaviria: In this idyllic and centuries-old Cartagena, we are moved by the warm hospitality of the Colombian Government and people.

Under your competent guidance we will move forward in our deliberations, in an innovative and constructive form.

Different yet supplemental experiences have led us to believe in the advantages of integration.

The European Union [EU] is a process in an advanced stage of implementation that should be carefully studied and analyzed.

Latin American and Caribbean countries are developing their own development programs with positive results.

Mercosur [Common Market of the South], the Andean Pact, the Central American Common Market, the Caribbean Community, the Group of Three, and our most recent proposal, the South American Free Trade Area, are dynamic projects for liberalization of international trade.

We were greatly satisfied to hear the statements by Bolivia in Colonia and by Chile in Belem do Para, seeking to join Mercosur. These are concrete steps for creation of the South American economic area, which we conceive of as an open, rather than excluding, area.

In this regard, we hail the North American Free Trade Agreement, whose evolution we are closely following. We see NAFTA as a possible bridge between Ibero-American nations and the large markets of the developed countries of the Americas.

The dialogue between the Rio Group and the European Union is another route for cooperation and integration. Within this framework, we found major and encouraging signs of a new and more concrete approach from the EU to Latin America, an achievement to which the dialogue we held at this forum must have certainly contributed.

The current international situation offers new opportunities for diplomacy. This forum is operating under auspicious circumstances, based on our peoples' devotion to democracy and on their leaders' commitment to improving it.

We represent a community of nations marked by its devotion to peace. However, the aspirations of (?tranquility) that we share coexist with the contrasting image of exclusion and violence.

In this regard, the Ibero-American conference has tried to contribute to the strengthening of tolerance and harmony. Tolerance and harmony should give inspiration to the relations between our countries.

The isolating policy of sanitary cordons no longer suits the pluralistic and dynamic world in which we live.

Mr. President Cesar Gaviria: I would like to conclude my speech by warmly congratulating you on your election as secretary general of the Organization of American States, where I am sure you will do a fine job.

I wish you success in the task that you have undertaken. I am now transferring to Your Excellency the direction of the work of this Fourth Conference of Ibero-American Chiefs of State and Government. Thank you, very much. [applause]

Colombia's Gaviria Opens Summit

PA1406171094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1422 GMT 14 Jun 94

[Speech by Colombian President Cesar Gaviria at the opening ceremony of the Fourth Ibero-American Summit in Cartegena de Indias—live]

[Text] Ibero-American chiefs of state and heads of governments, foreign relations ministers, representatives of international organizations, delegation members, authorities, and ladies and gentlemen: I want to open this speech by thanking so many friendly nations for the solidarity demonstrated in light of the painful moments we Colombians are experiencing as a result of last week's natural disaster that adversely affected thousands of my compatriots—the Paez Indians in the Cauca and Huila departments. In memory of those who perished, I ask you for one minute of silence. [minute of silence observed]

Cartagena de Indias awoke today in a festive mood. There is excitement in the Bay of Souls [bahia de las animas] and rumors of fandango in Chambacu. The word is being spread from balcony to balcony.

The local residents, as is true of all Colombians, are happy to have you here, chiefs of state and heads of governments. We hope that your stay among us is pleasant, advantageous, and that the protection of our Lady of the Candelaria of Popa will descend warmly on all of you. Lets us attempt to hear the faithful, who under the mudejar [multicolored decorations of Islamic influence] of San Toribio Church, mouth their prayers with a faint Andalusian accent, while outside the first notes of a ballenato [Colombian folk music] drowned the cry of a black female street vendor. These are the sounds of this marvelous cultural unity that is manifested in a new voice—that of Ibero-America.

Cartagena de Indias, the same as Guadalajara, Madrid, or Salvador de Bahia, reflects the rich blend of cultures and races that today brings us together for the fourth time. Here we must stop, look at where we came from,

and see where we are headed, and we must share our experiences to continue constructing a better future for our people.

We are living in times of change. The mere disappearance of global bipolarism has not given us the feeling that peace, progress, and justice is nearer or is now more feasible. With the conclusion of the confrontation between the two blocs that antagonized one another for so long, we unfortunately are witnesses to old and unfriendly nationalisms. These are fanaticisms that threaten peace and stability as much as the presence of extreme poverty and social injustice in many nations of the world. While we are assembled here, thousands of human beings continue dying, victims of racism, xenophobia, fraticidal wars, resentments shaped over the centuries, territorial disputes, or the simple and terrorizing incapacity of mankind to offer what is promised to all—namely, liberty, justice, and equality.

Nevertheless, I also believe we are living in times in which there is a place for the [word indistinct] hope. In recent years, we have initiated the making of a new world order, marked by signs of interdependence. In recent years, my dear friends, we have been able to make possible the hope of replacing a phase marked by domination [word indistinct] by cooperation.

I dream about the Americas being integrated from North to South, a place where a free trade zone from Alaska to Patagonia will be more than a great expression. Likewise, I dream about the Americas, as Europe, being united not only economically, but also scientifically, technologically, and political, and enjoying a rich and diverse culture. I also dream about the Asia-Pacific region being consolidated and expanding. I dream about a Middle East that is conscious of the need for peaceful coexistence and conscious of the benefits of converting to a common market. And, of course, I dream about Africa remarking its boundaries, overcoming old disputes among brothers, and progressing with the solidarity cooperation of the international community.

We are gathered here today to create this future dream much closer to all of us so that to travel through Ibero-America no other document is needed than the language we inherited from our parents, Spanish and Portuguese. We need to make it possible for anyone to work in a profession or a trade in any part of Ibero-America; it would suffice to show a diploma issued in any one of our nations; to encourage investments to flow from one side of the Atlantic to the other... [Gaviria clears his throat] excuse me, from one side of the Atlantic to the other, taking advantage of the open markets and distributing the benefits that emerge from the innovation of technological development and strategic alliances; to make Ibero-America an economic and cultural bloc open to the rest of the world; to have Ibero-America interact and enrich its relations with other communities; and, in order to lead, to assume the challenges and take advantage of the opportunities that the third millennium offers.

Let no prejudice or obstacle hinder our authentic brotherhood.

This dream may have many interpretations, but it is essentially one dream—an Ibero-America that does not need bridges across borders, because there are no borders in the souls and the minds of the people.

We are here because there is a vision we can dream about here today, in Cartagena de Indias, the site where another dream took root 500 years ago—the meeting of cultures. If we look beyond the abyss of time and peer into the future, all of this appears as something that is finally possible. It depends on us to turn a horizon full of options into a future of wellbeing for our people.

Dear friends: During the days that have preceded this summit, I have been constantly asked about its importance. I have given a simple answer: I believe that in any relationship there is nothing like a handshake and a frank dialogue.

Three Ibero-American summits have taken place. Much progress has been made in reaching political agreements, and many useful exchanges of experience have taken place. The ambitious index of the Ibero-American summits now includes science and technology, education and training, sustainable development, human rights, support for the Indian population, social policies, and, on this occasion, economic matters such as investment, development, commerce, integration, and the consolidation of reforms that many of our countries have promoted in recent years.

Regarding issues that form part of this meeting's agenda, it is necessary to acknowledge that the economic situation of the majority of the Ibero-American countries during the past 10 years has not been free of trauma. The debt crisis, with all of its repercussions, made evident the vulnerability of our economies and the worn-out condition of the economic development system then in vogue.

We believed that by substituting imports we would strengthen our autonomy, but we crashed against insufficient domestic markets and found an omnipresent state, lack of competition, and excessive protectionism.

This is why in many of our countries we had to make, in varying degrees, significant structural changes to our economies.

Increased fiscal discipline; inflation controls; free markets; the rationalization of the state's size; the creation of opportunities in the private sector; the adoption of competitive frameworks for attracting new foreign investments; the introduction of labor, currency exchange, financial, and tax reforms; and other things have encouraged trends toward renovation.

I think we have seen a profound change of attitude that allows us to increasingly incorporate ourselves with the rest of the world and at the same time leave behind the miserableness whose only promise was the perpetuation of our backwardness.

At the same time, we are practicing commercial policies that now are no longer designed to separate us, as they were before, but are designed to unite us.

For many of us, free trade and integration, of course, are probably the best antidote against the poverty that still exists in our nations.

How are we going to consolidate the reforms through which many of our countries overcame the lost decade? What should accompany the economic adjustments and the opportunities that free trade and integration open in order to secure the social benefits that we are searching for and that our people have wanted for so long? What can we do to make the reforms last and, especially, generate egalitarianism?

We must acknowledge the fact that adjustment policies alone have not produced growth in all countries and that these adjustment policies have not guaranteed a better distribution of income. Economic reforms could in some cases have weakened the state, and in some countries, it is an obsolete solution for today's problems.

Finally, everyday it becomes more evident that the commercial liberalization effort we have made must aim at harmonizing the agreements that have been reached.

These are some of the challenges we have ahead of us. This is why this fourth summit's agenda responds to the urgent need for jointly exchanging opinions on how to face these challenges. Fortunately, the current international framework is more suitable for meeting these challenges.

Never before in the history of mankind have so many human beings enjoyed democracy and liberty. Never before has there been such an ambitious multilateral trade system as that which emerged a few weeks ago following the culmination of the GATT Uruguay Round. The principal economies of the industrialized world are gradually recovering. There is a growing wave and a massive awakening of consciences in the quest for sustainable development. We have based our hopes on our own economic performance during the next few years. Here I refer not only to the fact that our countries will be perceived as attractive new markets but to the structural conditions of many of our economies, which have transformed us, without considering what Spain and Portugal would add, into what will be the region with the most dynamic growth in the coming years, second only to the Asian Pacific region.

Messrs. chiefs of state and government; following those statements, perhaps I should very briefly mention something that is an internal part of each country and which I truly believe will be a vital topic on the Ibero-American summit agenda in the next couple of years. I speak of the strengthening of democracy. Without flexible instruments for popular participation in principal group decisionmaking, without strong judicial organizations approved by the citizens, without security for citizens and their properties, without efficient mechanisms to promote and protect human rights, without pure electoral systems, without both governors and governed being held responsible for their actions and omissions, without efficient public organizations, and, above all, without an exact redefinition of the roles of the public and private sector in search of public equality, without all this, there cannot be true democracies among us.

Last, what brings us together here is the necessity to consolidate economic reforms in such a way that they will guarantee a better distribution of income, stimulate savings, and increase investment, thus spurring economic growth. What has brought us this far is our desire to make inroads into political reforms that will strengthen the state, enable greater democratic participation, and defend human rights. What has brought us here is an imperative need to make trade serve as a bridge for the welfare of our peoples. Of course we hope that free trade and expanded markets will also benefit the smaller countries.

Your Majesties, Esteemed Presidents, Messrs. Chiefs of Government, friends, everyone; we are Ibero-American. We represent the voice of Ibero-America and here we are. It is my heartfelt wish that the tradition initiated in Mexico and enriched in Spain and Brazil will continue during these two days, providing us a new opportunity to dream as a group. Within these streets of Cartagena, a place where everything is possible, as Gabriel Garcia Marquez, our Nobel prize winner, always says, in these walls which served one day to defend the city from pirates and corsairs, within the castle walls, where the dreams of our forefathers came true, we have the opportunity today to again take up the reins of our countries' destinies, to forge a more dignified, prosperous, and peaceful life for our peoples. I declare this Ibero-American summit of chiefs of states and governments inaugurated. Thank you. [applause]

Venezuela's Caldera Speaks

PA1406190594 Madrid EFE in Spanish 1636 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—Venezuelan President Rafael Caldera said today at the Fourth Ibero-American Summit that Cuba should return to the Latin American family of nations but it also must change its political system.

"I believe the time has come for Cuba to fully join the community and the judicial and social systems of the continent," Caldera said in his speech during the summit's opening session.

Immediately thereafter, the Venezuelan president said: "with my greatest respect, the time has also come for Cuba to change its own system, for which the world situation is favorably disposed."

Further on Caldera Remarks

PA1506034294 Paris AFP in Spanish 1653 GMT 14 Jun 94

[Text] Cartagena, Colombia, 14 Jun (AFP)—At the Cartagena summit, Venezuelan President Rafael Caldera spoke about the creation of a movement to decry and fight corruption and said that "we must punish those who rob the states' moneys to benefit themselves." He maintained corruption is one of the worst evils that is currently eating away at the world's countries.

He also noted we must implement a priority program to fight poverty in Latin America. He pointed out he advocates Cuba's admittance into the American accord and recognized this is the right time to revise the Ibero-American system.

President Caldera greeted the heads of state who are attending the Cartagena summit, especially those who are about to end their terms, and stressed that their successors "must support and strengthen the region's integrationist and democratic movement."

The Venezuelan president defended democracy and said that he bases himself not only on popularity ratings but also on macroeconomic figures that show progress is the community's foundation for peace and harmony. He added we are "deeply moved" as economic indicators reveal "a growth in poverty."

Caldera pleasingly admitted that international financial institutions, such as the Inter-American Development Bank, have recognized that the fight against poverty requires the unity of the community and demanded industrialized nations increase social development contributions. He added that by holding talks we must understand that the foreign debt issue deserves a great deal of attention because it has become a very onerous burden for some countries. He insisted "we must find tangible solutions to these problems."

He said "economic reactivation alone is not enough to solve our nations' socioeconomic crises," and demanded joining efforts "to achieve being understood and recognizing that the fight against poverty must become a priority."

Afterwards, Caldera mentioned one of the thorniest issues of the summit: corruption. He pointed out "corruption is one of the most serious evils that are choking our countries" and urged his colleagues "to commit ourselves to sanction rather than protect those who steal official funds despicably and put our nations in deteriorating situations."

The Venezuelan head of state noted "just as we fight against drug trafficking, I invite you to commit ourselves to not support and to morally and materially defeat those who commit crimes of corruption," adding that "we are currently living hard times" in many countries.

President Caldera admitted that summits like the Cartagena summit "constitute a great hope" for the future. "At this summit, I want to express my faith and hope that we will be able to overcome the situation we are currently facing and to respond to the terrible dilemma we are living," President Caldera concluded.

Argentina's Menem Urges Democracy

PA1406201094 Madrid EFE in Spanish 1745 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—Argentine President Carlos Menem today called for "a change" toward democracy in Cuba and he underlined that "no country" in Ibero-America "has achieved economic growth under a dictatorship."

Menem, addressing the heads of state and government who are attending the Fourth Ibero-American Summit in Cartagena de Indias, Colombia, also defended his state reform policy as a means of fostering development.

The Argentine president delivered his message after calling for a 10-minute recess that was granted by host President Cesar Gaviria, despite the delays that are piling up on the summit's agenda.

"The economic deterioration process will be irreversible if policies are not guided by a democratic government," Menem underscored in an apparent response to the previous message by Cuban leader Fidel Castro.

After explaining that "it is not my intention to meddle in the affairs of other countries," Menem said that "politics, the art of the possible, and socially projected economics, should not be contemplated separately because they complement each other."

The "profound" state reform that was set in motion in Argentina "has not only strengthened the state's role but has been an efficient weapon in combating corruption," he said.

Menem said that each of the large Argentine Government institutions that were turned over to national and foreign private investment "were true monuments to corruption."

Carlos Menem pointed out that he will ask the Ibero-American heads of state and government to "join him in a campaign to defend life."

"For me, life begins at the moment of conception, but we will discuss that at our work meetings," concluded Menem, who wants the summit to speak out against abortion.

Cuba's Castro Views U.S. Summit

PA1406203794 Mexico City NOTIMEX in Spanish 1811 GMT 14 Jun 94

[Excerpts] Cartagena de Indias, 14 Jun (NOTIMEX)—Cuban President Fidel Castro today wished for success

for the Summit of the Americas to be held in the United States at the end of this year, but he cautioned against Washington's intentions for convoking it.

In his first speech at the Fourth Ibero-American Summit, the Cuban president regretted that his country is being excluded from that forum to take place in Miami, Florida, in December. He said that it will be a good opportunity for demanding the end of the economic blockade against Cuba.

During the speech, Castro, clearly alluding to the United States, asked: "What can we expect today from an invariably expansionist, egotistic, and hegemonist power?"

The Cuban chief of state, who wore a white guayabera instead of his usual military uniform said: Ibero-American summits have reaffirmed the decision of the countries of the region to meet "without asking others for permission and without irritating exclusions."

He noted that Washington's proposal is aimed at congregating the chiefs of state of the continent in the city of Miami, mecca of Cubans who have lived in exile for the past three decades.

Castro said: "The alleged landlords of this hemisphere have prohibited Cuba, a country that has endured aggressions and a blockade for more than 30 years, to participate in that meeting" in Miami. The Cuban chief of state complained: "How much cowardice, mediocrity, and political misery that exclusion reveals."

Castro added: "There has been an Alliance for Progress and the Initiative for the Americas. No one remembers them now." [passage omitted]

Castro spoke in favor of establishing hemispheric cooperation mechanisms to combat drug-trafficking, but he cautioned that this must not be done at the expense of the sovereignty of countries. [passage omitted]

Mexican President Addresses Summit

PA1506010394 Madrid EFE in Spanish 2310 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—The main priority of Ibero-American countries is "the well-being of those who have less," Mexican President Carlos Salinas de Gortari said today at the first working session of the Fourth Ibero-American Summit.

"It is not possible to advance with inefficient, isolated economies, nor is it possible with internationalized economies that are socially irresponsible," Salinas de Gortari added. According to Salinas de Gortari, "we must insist that economic recovery go hand in hand with social reforms."

Salinas de Gortari said that he views with optimism bilateral and multilateral trade agreements signed during the past few years by countries of the American Continent because "free trade and the just exchange of goods and capital will benefit all of us." In addition, he called for a more active presence of Ibero-American countries in international organizations, and particularly mentioned the World Trade Organization, (?affiliated to GATT), which he hopes to chair.

Salinas de Gortari expressed his solidarity with Colombia over the natural disaster that affected the regions of Cauca and Huila last week, which caused more than 1,000 deaths. He also congratulated his Colombian counterpart and host, Cesar Gaviria, for his election this year as the new OAS secretary general.

Salinas de Gortari delivered his speech at the inauguration of the Fourth Ibero-American Summit, which was delayed six hours because most of the heads of state and government attending the event used double and even triple the amount of time they were expected to use (seven minutes each).

Further on Salinas Address

PA1506021694 Mexico City Radio ACIR Network in Spanish 0000 GMT 15 Jun 94

[Report by Oscar Navarro from Cartagena de Indias; from the "ACIR Radio News" newscast—live]

[Text] During his speech to the Fourth Ibero-American Summit of heads of state and government, President Carlos Salinas de Gortari suggested the signing of more bilateral and multilateral agreements in the region as a new concept of integration among all the countries of the continent and Ibero-America. Speaking at the convention center in Cartagena de Indias, Colombia, the Mexican president explained the reasons our country had for diversifying its relations and for promoting domestic efforts for reforms, similar to what is happening in other nations. However, Carlos Salinas de Gortari warned that diversification of relations should not be an excuse to distract commercial flow. Let us hear what he said:

[Begin Salinas recording] Other Ibero-American nations have implemented plans in accordance to the needs of their people. This encourages shared purposes. Efforts for integration among our nations should not be an excuse to distract commercial flow nor to appear as blocs closed to exchange. Compatible with GATT, we can reach agreements that will be the motors of our economic activity, investment, creation of jobs, and distribution of income, which in the end is the important thing. [end recording]

The Mexican president also stressed that there must be greater recognition of the unilateral efforts for opening and change which must be expanded to areas such as services, labor, and the environment, all of which are factors for progress, greater coordination of monetary policies, exchange of technology, and shared production to strengthen commercial openings and investment. President Salinas de Gortari said that Ibero-America must use its influence in the multilateral forums, especially in the new trade organization. The president said

that our priority today is the well-being of those who have less because it is not possible to advance with inefficient and isolated economies, nor can progress be made with internationalized economies that are socially irresponsible. For this reason, Salinas de Gortari said that we must insist on an economic recovery that goes hand in hand with well-thought and balanced social reforms, with democratic progress in pluralism.

Today's speeches by Salvadoran President Armando Calderon Sol, Venezuelan President Rafael Caldera, and Argentine President Carlos Menem, were also very important. They suggested an opening for the Cuban people's democracy. This could be important in strengthening peace and stability in the region. Fidel Castro did not broach this issue; however, he was very clear in stating that the U.S. blockade on Cuba must end. This is what he said:

[Begin Castro recording] In conclusion, this is an excellent opportunity to demand that the U.S. Government abide by the UN resolution on the criminal and unjust blockade against Cuba. [end recording]

I also wish to add that today's Colombian newspapers, especially the Cartagena de Indias newspapers, did not give much coverage to the summit. Instead they reported that the Colombian soccer team traveled to the United States today to participate in the World Cup.

Honduras' Reina Urges Integration

PA1506034394 Paris AFP in Spanish 2309 GMT 14 Jun 94

[Text] Cartagena, Colombia, 14 Jun (AFP)—Honduran President Carlos Roberto Reina, during the first working session of the Fourth Ibero-American Summit in Cartagena today, called for a human-oriented economic integration process. He pointed out that the foreign debt continues to be a heavy burden for the Central American nations.

The leader seemed less optimistic about the region's economic recovery during the last few years than his other 20 Ibero-American colleagues. Reina said that it was still impossible to speak of the expansion of economic recovery.

The Honduran president said "we must recognize that poverty has increased in the region." This is the first Ibero-American leaders' meeting he has attended, as the group has already gathered in the previous three consecutive years: in Guadalajara (Mexico), Madrid (Spain), and Salvador de Bahia (Brazil).

He added that "we must work toward an Ibero-American community with organizations that have the power to decide." He stressed that regional economic integration must not be the only priority, as the process must also include other important social issues.

Reina demanded "equal treatment" from the international financial institutions for Central America, whose leaders he encouraged to unite and to negotiate trade and commercial agreements with the rest of the continent as a bloc.

El Salvador's Calderon Addresses Summit

PA1506044294 Madrid EFE in Spanish 2305 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—In his speech to the Fourth Ibero-American Summit today, Salvadoran President Armando Calderon Sol called for the formation of a "common front to defend our legitimate right to development."

Calderon, who assumed the presidency of his country on 1 June and is participating in this forum for the first time, advocated the strengthening of representative democracy and the promotion of human rights and economic and social development as the Ibero-American community's "major objectives." The Salvadoran president pointed out that they would be able to attain the Ibero-American peoples' aspirations of "living in peace, liberty, and with greater opportunities" once such conditions are attained.

He observed that almost all the countries in Ibero-America enjoy democracy and added that "well-defined and concrete measures and actions," which conform to the current international economic trends, must be taken to confront the challenges posed by commerce, integration, and development. In this sense, he stressed, ways must be found to include regional economies in the international sphere, especially after the GATT Uruguay Round which will allow the opening of new markets for developing countries.

As with the Central American presidents who spoke before him, the Salvadoran highlighted the "feasible development" [desarrollo sostenible] program implemented by the Isthmian countries. This program ties economic growth to respect for the environment and social problems for the people which, according to the Salvadoran president, requires "pragmatic policies." The struggle for development, he asserted, is not circumscribed to the liberalization of commerce but to the promotion of integration as a response to the international challenges.

The program has made noteworthy progress in Central America since the Central American Integration System was created in 1991. This organization comprises a region where peace, liberty, and democracy have been consolidated. "However, we must admit the tasks we have set out to achieve are challenged by the difficulties inherent to our condition as a developing nation," he added.

Calderon concluded by calling on the countries to take advantage of the historic, ethnic, and cultural ties binding the participating nations and to redouble their efforts for the "possible creation of the Ibero-American Community of Nations."

Castro Makes Second Address

PA1506011194 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2348 GMT 14 Jun 94

[Text] President Fidel Castro broke away from the agenda of the summit today and addressed the Ibero-American Summit after the session for each of the participants to speak had ended. Castro warned democracy must be understood within the context of a great discussion among Latin Americans, and he demanded solidarity for the people of Cuba who are suffering due to the U.S. blockade, which he described as criminal. Castro requested the floor from Bolivian President Gonzalo Sanchez de Lozada, who was presiding over this afternoon's session. Castro said:

[Begin Castro recording] In conclusion, I will say I respect your ideas. I sincerely respect your ideas, concepts, and thoughts about democracy. We would have to hold a summit to discuss what democracy is, what participation of the people is, and why millions die in this hemisphere each year from disease and hunger when they could be saved. [end recording]

Following Castro's speech, Bolivian President Gonzalo Sanchez de Lozada responded, saying even though there is still much to study and understand about the Cuban experience, he trusts that democracy will come to the island and that Castro will be at the head of a second Cuban revolution.

[Begin Sanchez recording] Possibly [words indistinct], but I know a change will occur, and we all wish you [words indistinct] respect that all this [words indistinct] big river, big ocean [word indistinct]. [end recording]

This was the second time Castro addressed the summit. His first speech was scheduled, the second was not. We asked Colombian President Cesar Gaviria Trujillo for his views regarding Castro's speech. Gaviria said: The speech Cuban President Fidel Castro made follows the pattern of words the Cuban Government uses at international meetings. They never sidetrack from this pattern. President Gaviria was also asked what he thought of the fact that Castro was wearing civilian clothes. Gaviria said: We were accustomed to seeing him in his olive green uniform, but we saw him wearing a guayabera today. It is an encouraging change, Gaviria said, adding there are also encouraging signs for Latin American democracy.

Roundup of First Day

PA1506040994 Madrid EFE in Spanish 0042 GMT 15 Jun 94

[By Emilio Crespo]

[Excerpts] Cartagena de Indias (Colombia,) 14 Jun (EFE)—At the inauguration of the Fourth Ibero-American Summit today, the leaders of 21 countries agreed that development must be humanized and integration and free trade promoted. [passage omitted]

In accordance to the general theme of the conference, dedicated to development and integration, the heads of state asserted the need to achieve economic growth without leaving the people's social needs to one side.

In one of the few speeches that conformed to the time limit assigned to each leader, Spanish King Juan Carlos also advocated the need to strengthen social development and respect for human rights. [passage omitted]

Spanish Prime Minister Felipe Gonzalez called on his colleagues to admit with "courage" that the adjustment policies had not solved the unequal distribution of wealth or the unemployment problem. However, like several of his colleagues, such as Argentine Carlos Menem or Panamanian Guillermo Endara, the Spanish socialist mentioned with optimism the democratic and economic achievements made by the Ibero-American countries since the Salvador de Bahia (Brazil) conference a year ago.

As had been done by Endara and Menem, Guatemalan President Ramiro de Leon Carpio and Ecuadoran Sixto Duran-Ballen highlighted the advances made by their respective administrations in the economic and political spheres. In addition, De Leon Carpio promised, despite the difficulties that have arisen, he would do everything possible to continue the peace negotiations with the guerrillas as scheduled and reach an agreement before the end of the year. The Guatemalan guerrillas comprise the last such organization still active in Central America.

Mexican President Carlos Salinas de Gortari and Peruvian President Alberto Fujimori, the latter with much more vehemence and thoroughness, defended the countries' right to their institutional peculiarities. The Andean head of state, who was strongly criticized by his colleague two years ago when he took on extraordinary powers and suspended the parliament and the Supreme Court, said political systems cannot be called good or bad and must be graded based upon their results and without any foreign interference.

Chilean Eduardo Frei and Paraguayan Juan Carlos Wasmosy, who, as with five other presidents elected recent months, attended an Ibero-American summit for the first time, called for the promotion of free commerce and integration, which the Andean leader leaned toward "open regionalism."

The newest president was Salvadoran Armando Calderon Sol, who assumed the post less than two weeks ago. He, together with several of his Central American colleagues, defended the position that development should not be limited to the liberalization of commerce.

Violeta Chamorro of Nicaragua and Jose Maria Figueres of Costa Rica underscored the advances made by Central America in regard to integration, peace, and the consolidation of democracy. They also presented a regional model for a "feasible development" [desarrollo sostenible] based on social needs and respect for ecology.

Several presidents, such as Caldera, mentioned Spain and Portugal and asked that they become spokesmen for Latin America in Europe.

Uruguayan Luis Alberto Lacalle, however, noted the difference of interests between the Ibero-American countries and the summit's host, Cesar Gaviria, asked for a policy to attract investment to the region and expressed his hope that America will become a single commercial bloc.

NOTIMEX Rounds Up Speeches

PA1506040294 Mexico City NOTIMEX in Spanish 0158 GMT 15 Jun 94

[Text] Cartagena de Indias, 14 Jun (NOTIMEX)—Venezuelan President Rafael Caldera said tonight the time is right for Cuba to rejoin the OAS, but he added President Fidel Castro could make this process more viable.

"We are at the right time for Cuba to rejoin the hemispheric community of nations," said Caldera, recalling statements made by Portuguese President Mario Soares, who said Castro was "a man beyond suspicion."

Soares expressed respect and admiration for President Castro, saying "the Cold War ended, and the Berlin Wall fell; therefore, there are no reasons whatsoever why Cuba could not help abate the isolation it is in."

Caldera said the current conditions are propitious for the island to rejoin the OAS, but "it is also the time for Cuba to revise its domestic policies."

The Venezuelan president decried the blockade against Cuba, "because any unilateral blockade harms the people rather than a certain government."

Answering questions from the media, the Venezuelan chief of state said "neoliberal policies carried out at any price and policies of structural adjustment rigorously carried out in an orthodox manner have made us pay a very high social cost."

Caldera believes trade openings and processes of integration have benefited all nations, but "the exaggeration with which the neoliberal doctrine has been implemented has deteriorated society, and those peoples who elected us are demanding better and more humane living conditions," he said.

Caldera, along with 21 chiefs of state and government (in addition to Dominican Vice President Carlos Morales Troncoso), are attending the Fourth Ibero-American Summit, which will end on 15 June at this port, located 1,200 km from Santa Fe de Bogota along the Colombian Caribbean coast.

Castro, Spain's Gonzalez Hold 'Cordial' Meeting

PA1406181594 Madrid EFE in Spanish 1423 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—Spanish Prime Minister Felipe Gonzalez and Cuban President Fidel Castro did not discuss political reforms in Cuba during their meeting today, before the inauguration of the Fourth Ibero-American Summit.

Spanish official sources revealed that the meeting, which lasted 40 minutes, focused on the process of economic reforms begun by Castro and the current crisis at the German and Belgian Embassies in Havana.

Gonzalez reiterated to Castro that Spain is willing to remain a financial consultant on the condition that, in the opinion of Gonzalez, reforms should lead to "a change of political circumstances."

As a result, Cuba should join the "democratizing trend of the Ibero-American group."

During the meeting—referred to merely as "cordial" by the sources—the two leaders reviewed the economic situation in the their respective countries, and Castro did not conceal the hardships his country is facing.

According to Felipe Gonzalez, there are only two paths to be taken in facing this crisis: to implement more in-depth reforms or to abstain from doing so, which would further exacerbate the situation.

Regarding the situation triggered by the occupation of the embassies of Belgium, where 18 people remain since 18 May, and Germany, where 20 people forcefully entered yesterday, Castro explained his position. Castro's position consists of "not allowing the escalation of conflicts of this type."

Central American Presidents Not To Accept Haitian Refugees

PA1406165594 Madrid EFE in Spanish 1508 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—The Central American governments have agreed not to receive Haitian refugees, as was requested by U.S. President Bill Clinton, official Central American sources have told EFE.

The matter of the refugees was discussed by the chiefs of state of the region who met yesterday in Costa Rica and later in the Colombian city of Cartagena, where the Fourth Ibero-American Summit is being held today and tomorrow.

Although they have not made an official announcement en bloc, they decided not to accept the refugees, not even temporarily, sources from a Central American country who chose to remain anonymous have told EFE.

Clinton asked the governments of the Central American countries last month to accept the refugees fleeing the Haitian crisis, while it was decided whether their cases could be considered cases of economic or political emigration. If the cases were political, they would be admitted into the United States.

The request regarding the Haitian refugees was made directly to the six Central American presidents last month when they met in Tegucigalpa with U.S. Vice President Al Gore.

Several countries turned down the request because of economic or emigration problems in their respective countries. Others, such as Costa Rica and El Salvador, said unenthusiastically that they would consider the matter.

Honduras, which a couple of years ago gave asylum to a group of Haitians and later had problems assimilating them, had said beforehand that it could not receive any more refugees.

Urge Cuban Democratization

PA1406180894 Madrid EFE in Spanish 1600 GMT 14 Jun 94

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—Central America today insisted on requesting democratic changes in Cuba in a statement by Costa Rican President Jose Maria Figueres within the framework of the Fourth Ibero-American Summit. The statment proposes that the topic be discussed within the OAS.

The governments of the isthmus, who yesterday requested the island's democratization at the end of a regional summit in San Jose, are willing to meet with Cuban President Fidel Castro to ask him for political openness in Cuba, according to Figueres.

Figueres also suggested that the Cuban case "be reviewed by the Inter-American system in bloc," and he noted that the Colombian president's assumption of the OAS Secretariat in August will be "an important ingredient" for the matter to be taken up by a strengthened and invigorated organization.

This is not a case of creating obstacles but, rather, one in which the Central Americans want a peaceful solution to the Cuban situation, the Costa Rican president stated.

Figueres added: "More and greater progress must be achieved in the areas of democratization, freedom of speech, religion, domestic and foreign association, and others to promote a climate of understanding."

The Costa Rican president, who took office 8 May, said Cuba's situation is a legacy of the Cold War, adding that its resolution must mainly involve the various groups of Cubans. As an example of such a transition, he noted the case of the Central American countries "in which the securing of peace has been the fruit of concerted efforts and dialogue."

In terms of Cuba's democratization, he said, all of the members of the island, without distinction, including the dissident groups abroad and those in the country, must participate. However, "any planned transition" must strengthen and secure "the revolutionary achievements in the areas of education, health, and housing," he said.

Fidel Castro, who was the last president to arrive in Cartagena on Monday evening amid tight security, has again been the focus of attention of newsmen and chiefs of state attending the summit.

Argentine President Carlos Menem, who at last year's summit requested Cuba's democratization, told EFE that this is "the wish" not only of his country, but of many Latin American countries. He also noted that "there is no problem" in meeting with Castro, if he wishes to meet or if the opportunity exists within the framework of the summit.

The Cuban leader today surprised the summit participants by attending the opening ceremony wearing a guayabera shirt instead of the traditional olive drab uniform he has worn at previous summits.

Chile's Frei Meets Spanish King, Discusses Cuba

PY1406133394 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 14 Jun 94

[Text] A meeting with Spanish King Juan Carlos was the first official activity that President Frei carried out in Cartagena, Colombia. Commenting on this meeting, Frei said that he discussed the current situation in Chile and his administrations' projects.

In addition, Frei reported that King Juan Carlos had expressed interest in paying another visit to Chile, and that some dates were already under discussion.

Asked about Chilean support for Cuba's return to the OAS, Frei said that this all depends on Cuba, which must restore democracy and uphold human rights. Cuba ceased being an OAS member in 1962.

Regarding his scheduled meeting with Bolivian President Gonzalo Sanchez de Lozada, Frei said that Chile is interested in helping Bolivia obtain an outlet to the world.

Colombian Foreign Minister Views Summit

PA1406215694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1243 GMT 14 Jun 94

[Interview with Colombian Foreign Minister Noemi Sanin by Guillermo Rodriguez in Cartagena de Indias on 14 June; from the "Caracol's 0600 to 0900" newscast—recorded]

[Text] [Rodriguez] Good morning, Minister Sanin. Congratulations on the summit's organization. What will happen with this summit in Cartagena de Indias?

[Sanin] Good morning. We will continue declaring an all-out war on poverty. We are working so that the integration, trade, and all our social policies improve living conditions for most Colombians.

[Rodriguez] [Words indistinct] in the last issue of the CAMBIO 16 publication, there is a report by Isaac (Deacon) on you, Minister Sanin. It is virtually being assumed that after 7 August, you will decide your future, and may decide to form your own political movement. Is there any truth to this?

[Sanin] I have been so busy with preparing the summit, among other international commitments. After 7 August, I will decide what I will do.

[Rodriguez] But you do not reject the possibility of becoming fully involved in politics?

[Sanin] Why impose conditions on our lives? I will be wherever I can serve Colombia best.

[Rodriguez] Following a brief diplomatic career, a one-year sabbatical....

[Sanin] I truly cannot tell you what I will do yet. However, I obviously must rest a little.

[Rodriguez] We have heard that most heads of state are constantly encouraging you to become fully involved in politics. Will you heed their advice?

[Sanin] I must think about it, but I reiterate: after 7 August.

[Rodriguez] What is the leading aspect of this summit?

[Sanin] The meeting of the 21 heads of state per se is a very significant event. Their commitment to promulgate social policies so that all these economic initiatives provide an answer to the everyday needs of the people is also crucial. This is so because any trade and integration efforts obviously lead to boosting economic growth, increasing jobs, greater opportunities for consumers regarding product prices and quality. However, the leading aspect is that we are waging a war on poverty.

[Rodriguez] How have other Latin American nations received the integration and free trade agreement signed by the presidents of Colombia, Mexico, and Venezuela?

[Sanin] They have received the signing of this agreement with enthusiasm and respect because it opens many opportunities for all—more jobs and brighter economic prospects. The existence of equality and making sure that this process begins yielding results for Colombians are pivotal for us. This process will not generate immediate results, but those results will come.

[Rodriguez] A constructive criticism that is raised with regard to summits is that they usually do not go beyond well-intentioned declarations because an organization or an executive body to implement them is missing. Could the Latin American Community of Nations become that body? What is your view in this regard?

[Sanin] [Words indistinct] of the Ibero-American community. Yesterday, I submitted a proposal to the foreign ministers on creating a follow-up mechanism for all cooperation plans and political agreements advanced by the presidents and heads of state. We will meet on 6 August, the eve of the inauguration of the incoming Colombian president, to determine the nature of this mechanism and the follow-up instruments for all education and health plans and the various agreements achieved during this summit. However, all the political agreements and all the prospects resulting from this summit in themselves are very important. This forum possibly gathers the largest number of heads of state.

[Rodriguez] President Gaviria will inaugurate the summit at 0900. How long will his speech last?

[Sanin] I cannot squeal on [chivear] the president because I would be risking my job. Let us wait to hear it.

[Rodriguez] Speaking about the president, in that magazine report, you called yourself a Gavirist conservative. What does that mean?

[Sanin] It means that I am committed to this phase of changes, these radical changes, this new country Colombians have built under President Gaviria's lead.

[Rodriguez] Does it mean isolation from other factions of the Conservative Party?

[Sanin] No. What is currently happening is that politics is being viewed from a new perspective and a new situation. There is a different attitude and a different manner of conducting it. Beyond being only a conservative or a liberal, I truly admire and have a total commitment to how President Gaviria conducts politics.

[Rodriguez] Carlos Murcia in yesterday's issue of EL ESPECTADOR as well as CAMBIO 16, SEMANA, and CROMOS have suggested that you have a place in either Samper's or Pastrana's cabinet. Would you accept an offer from either Samper or Pastrana?

[Sanin] Neither CROMOS nor SEMANA nor any of the best media you mentioned are entitled to make nominations. Therefore, let us take one step at a time, and let us see what happens.

Brazil's Amorim: Colombia, Venezuela May Join Mercosur

PY1406140194 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Jun 94

[Report by Marcos Chagas from Cartagena, Colombia]

[Text] Four more countries may join the Common Market of the South, Mercosur, which currently consists of Brazil, Argentina, Uruguay, and Paraguay.

On 15 July Amorim will attend a meeting in Argentina to evaluate the Chilean and Bolivian petitions to join

Mercosur. Commenting in Cartagena on the Mercosur integration process, Amorim said:

[Begin Amorim recording] We regard as very positive the interest expressed by Bolivia and Chile in joining Mercosur as associates. We believe all this will strengthen Mercosur by opening up new trade prospects, and will also be instrumental in attracting other countries to endorse President Itamar Franco's proposal to create a South American Free Trade Area. In sum, I believe all this will be regarded as something very positive. [end recording]

Amorim added that much progress has been made in the talks with the governments of Colombia and Venezuela on their also taking part in Mercosur.

Paraguayan President on Mercosur, Cuba, Haiti

PY1406142794 Asuncion NOTICIAS in Spanish 14 Jun 94 p 5

[Report by unnamed special correspondents]

[Text] Cartagena—President Juan Carlos Wasmosy stated on 13 June that Paraguay would condition Chile's admission to Mercosur [Common Market of the South]. The president made this remark after studying the letter that the Chilean Foreign Ministry sent to Mercosur's Pro-Tempore Secretariat, in which it officially requests admission to the group consisting of the four River Plate nations.

The Paraguayan position is that Chile must adapt itself to the demands that will arise when it becomes a full-fledged member of Mercosur. The Chilean document requests an outline of the obligations it will have to comply with, but also gives to understand that it is not willing to comply with them.

The document, which is signed by the Chilean foreign minister, indicates that its admission will be accomplished through bilateral tariff protocols to be signed with each Mercosur member. These protocols presumably contain implementation regulations responding to the conditions and intents specified in bilateral relations, to be accomplished within a certain period of time.

It is precisely Chile, though, that will be setting this period of time, as well as the number of years that cannot be exceeded.

All of these demands are practically unacceptable to Paraguay, and therefore, according to official sources, Chile's possible admission to Mercosur must be very carefully studied.

On 13 June Wasmosy also confirmed that Paraguay will abstain from voting in the hypothetical case that the economic embargo against Cuba comes up for discussion.

The president announced this position, but did not explain why. Wasmosy also indicated that he does not agree with the military intervention in Haiti being considered by the United States, indicating that this would be his government's position if a decision has to be taken on the subject.

Summit Document To Urge Integration, Expansion

PA1406235094 Madrid EFE in Spanish 2135 GMT 14 Jun 94

[By Rafael Candanedo]

[Text] Cartagena de Indias (Colombia), 14 Jun (EFE)—The chiefs of state and government, who are attending the Fourth Ibero-American Summit, will call for a deepening of regional integration and economic expansion processes to revive their economies and create more jobs.

This goal is contained in the Cartagena de Indias Declaration, a 19-page document, which will be signed tomorrow by the leaders, as they close the two-day meeting that opened today at the Convention Center of this city on the Colombian Caribbean coast, a city that was declared a historic heritage of humanity.

The text, which was negotiated at initial meetings involving foreign ministers and technicians of 21 countries, promotes a reinforcement of economic relations and of the various integration processes. It followed the general topic of the meeting, "Trade and Integration as Factors for Ibero-American Development."

The document calls for the "convergence" of existing integration mechanisms, for an American trade liberalization, for the expansion of economic relations with all countries and regions, even with the Pacific Rim, and for an expansion of trade and investment between Latin America and the EU. As for the latter, the declaration points out that Spain and Portugal constitute "privileged points of contact" between the two continents.

This fourth summit was attended by 20 chiefs of state, and by Spanish Prime Minister Felipe Gonzalez, Portuguese Prime Minister Anibal Cavaco Silva, and Vice President Carlos Morales, who represented Dominican Republic President Joaquin Balaguer, 87, who was advised by his doctors to not travel due to his glaucoma problem.

"It is expected that the liberalization process and the promotion of multilateral trade and investment will create new and necessary vigor for international economic activity that will bring about and higher employment levels," the final document states.

The Ibero-American summit voices hope that GATT and its future transformation into the World Trade Organization, in keeping with an agreement signed in April, will be an instrument that will help strengthen the sector's multilateral system.

The declaration states that the pact clearly regulates the commercial stands of the countries, strengthens mechanisms to settle controversies, and decreases the risk of applying unilateral measures to protect inefficient sectors of the economy.

The spirit of open regionalism, which should rule the regional integration processes, is considered to be a complement of the main elements of development such as the strengthening of the democratic system, access to new technologies, macroeconomic stability, economic revival, social cohesion, and environmental policies.

The Cartagena summit reviewed such Latin American sub-regional integration agreements as the Central American Integration System, the Free Trade Agreement of the Group of Three (Mexico, Venezuela, and Colombia), the Caribbean Common Market (Caricom), the Common Market of the South (Mercosur), and the complementary economic pacts within the framework of the Latin American Integration Association (ALADI).

The summit also mentioned the importance of the Brazilian proposal to create a South American Free Trade Area (ALCSA) based on Mercosur and pointed out that NAFTA, signed by the United States, Mexico, and Canada, will have reverberating effects throughout the American continent.

The rulers are recommending the strengthening of Latin American-European relations in order to promote a balanced trade by means of identifying the adequate mechanisms to hold talks and to promote cooperation.

In addition, the heads of state are advocating the modernization of state apparatuses through programs to modernize and minimize bureaucratic procedures, increases in the participation of the private sector in the construction of infrastructure, and the creation of a scientific community.

In what constitutes a direct reference to the historic dispute between the United States and Cuba, the Cartagena de Indias Declaration advocates the elimination of "coercive" and unilateral economic and commercial measures that could affect free international trade movements and could "hamper" the Latin American peoples' living conditions.

For the past 32 years, the United States has imposed an economic and commercial embargo on Cuba as a punishment, because leader Fidel Castro implemented a communist political system in 1959.

The Fifth Ibero-American Summit will take place next year in Argentina, possibly at the tourist resort city of San Carlos de Bariloche, in southern Argentina.

Chilean Foreign Minister Addresses OAS Assembly

PY1306223694 Santiago EL MERCURIO in Spanish
7 Jun 94 pp C1, C8

[Report by "special correspondent" Elia Semeone from Belem, Brazil]

[Text] On 6 June, Chile urged the Inter-American community to focus on honesty on the grounds that corruption is a threat to the democratic governments that, for the first time in history, are installed in most countries of the hemisphere.

Chile also emphasized that economic development and social well-being must go hand in hand, and that free trade should be promoted through ever-broadening integration mechanisms.

Chilean Foreign Minister Carlos Figueroa made these proposals on 6 June during his address before the OAS General Assembly.

The issue of honesty and its effects on growth and the shoring-up of democracy is a new concept within the framework of the OAS, a concept that Chile decided to include in the organization's agenda this year.

Figueroa reiterated Chile's commitment to the Americas and said that from its viewpoint any common effort to strengthen democracy in the hemisphere is very important.

He expressed Chile's utmost interest in the struggle against extreme poverty because severe social differences in American countries pave the way for political instability, which usually weakens democracy and jeopardizes peace in the hemisphere.

Figueroa said: "We must realize these urgent needs and the subtle threats against democracy in our countries."

He said it is necessary to modernize the state, which implies turning it into an effective and capable manager by staffing it with trained, honest, and public service-oriented people.

Figueroa emphasized that honesty must be addressed as part of this quest for the modernization of the state.

He quoted Chilean President Eduardo Frei's address to Congress on 21 May: "The lack of public ethics is the result of an uncontrolled exercise of power, and ambiguous responsibilities... Public ethics affect private business and public administration alike."

The foreign minister stated that society's commitment to democracy will undoubtedly be strengthened if administrations remain honest, if excessive centralization of power and decisionmaking is abolished, and if the required oversight mechanisms are established.

Among the issues Chile considers in need of priority attention from the OAS, Figueroa mentioned the development of American people within the framework of free trade, fairness, and growing integration. He said the recent amendments to the OAS Charter—which allow the organization, among other things, to suspend members for breaches of democratic order—show once again that democracy, development, and peace are closely related.

Figueroa stressed: "Our countries must have development formulas that ensure fairness. Our economic policies must seek sustained growth as a way to guarantee the well-being of all social strata."

He added that this means all countries of the region must be able to freely market their products. He praised the Marrakech agreements on free trade, and urged all American governments to seek out agile and effective formulas for economic integration.

Figueroa reaffirmed that Chile will pursue economic cooperation and free trade agreements with other American countries, and emphasized his government's decision to seek rapprochement with the Common Market of the South.

He said: "Regional trade freedom is Chile's topmost priority and that is what we work hardest for. We would like to see every country in the continent share our desire to implement a policy of open regionalism which—if followed by practical agreements—will fuel our economies and allow us to improve the standards of living of our people."

Figueroa said the region must take concrete steps toward a realistic integration process that is open to the world economy.

Figueroa mentioned the hemispheric summit that U.S. President Bill Clinton has called, saying that Chile warmly supports it.

Chile's foreign minister said: "We are convinced that it is a worthwhile opportunity to thoroughly study burning regional issues such as free trade, economic cooperation, and the development of our countries. We hope this summit will yield concrete results and a clear-cut and feasible plan of action."

He conveyed Chile's satisfaction over the OAS acknowledgement that social issues must be considered in the search to maintain peace.

Figueroa recalled that the World Summit on Social Development will take place next year in response to Chile's proposal to the United Nations.

The Chilean foreign minister addressed the significance of cooperation, protection of the environment, and full respect for human rights.

He underscored the need to maintain peace and security within a more global concept of the latter, by promoting measures to enhance trust.

Figueroa said conditions for improving regional security have improved in recent years. Chile is convinced that among all the continents, the Americas probably have the best chance of success.

He emphasized the steps Chile has taken in this direction, like the signing of the Mendoza Commitment to ban chemical and biological weapons, which Argentina and Brazil have also signed. He mentioned Chile's compliance with all obligations of the Tlatelolco Treaty which bans nuclear weapons from Latin America.

Figueroa outlined Chile's efforts in the quest for a new system capable of eliminating chemical weapons throughout the world.

He said: "Chile is convinced that efforts in this direction must be made prudently, gradually, and realistically by taking successive steps rather than by embarking on overly broad and pretentious schemes which turn out to be unfeasible in the long run."

Figueroa stated that current conditions are favorable for redesigning hemispheric security. On the one hand this process should make hemispheric security a more global concept, while at the same time it should encourage all kinds of measures—be they political, diplomatic, military, educational, or cultural—to stimulate trust and security.

The foreign minister thanked Joao Clemente Baena Soares for his contribution to the OAS as its secretary general for 10 years, and conveyed Chile's support for the incoming OAS secretary general, current Colombian President Cesar Gaviria, who will assume that position in August.

Brazil's Amorim Urges Raising Drug Enforcement Aid

PY1406150994 Rio de Janeiro O GLOBO in Portuguese 11 Jun 94 p 20

[Article by special correspondent Jose Paulo Tupynamba]

[Excerpts] Belem—Brazilian Foreign Minister Celso Amorim yesterday requested that rich countries supply greater resources with which to fight narcotics trafficking. He made this request at a news conference held after delivering his closing speech at the 24th OAS General Assembly in this, the capital city of Para State. Amorim noted that because funding for drug enforcement operations is very limited in Brazil, it is very important for our country to receive financial cooperation from countries where drugs are consumed.

Amorim said: Drug-producing countries are receiving resources to implement alternative crops. Yet countries that are being used as drug routes have not received the same kind of support. [passage omitted]

Amorim also emphasized the significance of the Ibero-American summit scheduled to open next week in Colombia, and especially the presence there of the heads of government of Spain and Portugal, which are member countries of the European Union and leading counterparts in our trade talks with Europe.

Amorim said: The path to follow appears to be one marked by greater trade liberalization between the European Union and Latin American subregional groups, the Common Market of the South included. [passage omitted]

Cuba

Castro Arrives in Colombia, Meets Press

FL1406121994 Havana Radio Progreso Network in Spanish 1100 GMT 14 Jun 94

[From the "First Thing" program]

[Text] Last night, Commander in Chief Fidel Castro arrived in Cartagena de Indias, Colombia, to attend the fourth Ibero-American summit 14-15 June. Fidel arrived in the company of Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, and Foreign Minister Roberto Robaina. Fidel was greeted at the foot of the Cubana plane by Colombian Foreign Minister Noemi Sanin and writer Gabriel Garcia Marquez, winner of the Nobel Prize for Literature. Colombian Justice Minister Andres Gonzalez and Communications Minister William Jaramillo were also present.

After reviewing the honor guard and speaking with approximately 20 reporters, Fidel said he was very pleased to be in Colombia and replied to a question by saying it would be too optimistic to hope the U.S. blockade would end during the summit. Fidel added that he has several things he wants to say but we have to wait until 14 June, when he will address the heads of state of the 21 Ibero-American nations.

Last night, along the route of the caravan taking Fidel and Foreign Minister Sanin to the hotel, numerous people gathered to shout support and welcome slogans. Some of the slogans displayed along the route of the caravan read: Welcome Fidel! With Cuba for all Times!

Castro, Spain's Gonzalez Meet

FL1406232394 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Jun 94

[From the "National Radio News" newscast]

[Text] Cuban President Fidel Castro met with Spanish Prime Minister Felipe Gonzalez shortly before the ceremony to open the Fourth Ibero-American Summit. Foreign Minister Roberto Robaina reported to PRENSA LATINA that following the meeting, the two leaders went to the convention center for the inauguration of the summit, during the course of which Fidel will hold other bilateral meetings. The Cuban foreign minister confirmed that the Cuban president will meet with Chilean President Eduardo Frei on Thursday, and that meetings with other heads of state are currently being coordinated.

Castro Addresses Ibero-American Summit Meeting

CM1506134594 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Jun 94

[Speech by President Fidel Castro at the Fourth Ibero-American Summit at the India Catalina Convention Center in Cartagena de Indias—live]

[Text] Esteemed President of Colombia Cesar Gaviria, Your Majesty, Excellencies: Our summits, initiated in Guadalajara, have been an inspiring example for our countries to draw closer and to unify. We have reaffirmed our decision to meet without the permission of third countries and without any significant exclusions. Our efforts have borne fruit in many respects; the advances of the Latin American Integration Association, the Andean Group, the Central American Common Market, the Southern Cone Common Market, and the increasingly important Latin American economic system demonstrate this.

It seems that some were worried by this new, independent method of action. Our powerful northern neighbor now calls for another summit that is to take place in Miami, of all places; it is for a mature hemispheric association. There have already been alliances for progress and initiatives for the Americas that no one remembers today. From decade to decade and centery to century, we have gone from slogan to slogan, from deceit to deceit. There were also wars, interventions, and conquest of territories at the expense of our America. What can we expect from that powerful country, invariably expansionistic, egotistic, and hegemonic.

Cuba, a country attacked and blockaded for over 30 years, is prohibited by the alleged owners of the hemisphere to participate in that meeting. How much cowardice, mediocrity, and political poverty is truly reflected by this exclusion. Cuba does not oppose, however, that summit. We are pleased that the brother countries of Latin America and the Caribbean will have an opportunity there to defend with complete firmness and strength the interests of our peoples.

First of all, it is time to demand a right to healthcare; education; an honest paying job; a cultural and ethnic identity; that all forms of racial and sexual discrimination cease, an end to abandoned and homeless children as well as victims of all types of exploitation, violence, and sexual abuse; an end to honger; a cessation of conditions that allow millions of people to die each year who could be saved. These are among the fundamental rights of man and should be respected.

Cuba has resolutedly supported the revolutionary struggle for democratic processes in Central and South America and is happy that the current U.S. Administration will not foster, as others have done, cruel military dictatorships subordinate to U.S. interests. Cuba cannot tolerate U.S. efforts to become the model and supreme judge of Latin American political guidelines.

Cuba determinedly defends the principle of national sovereignty. It would be willing to defer only to a united Latin America, but under no circumstances will it tolerate the meddling of U.S. power circles in the internal affairs of countries in the region.

Nothing would please Cuba more than to see the United States offer all countries of the region, especially the

lower income countries, free access to its markets as a contribution to the economic development of those countries.

Cuba also finds foreign investment, including U.S. investments, necessary as a contribution to development on this continent, but Cuba is concerned about the denationalization of important sources of wealth and natural resources, a process under way in the countries of the region.

Trade and foreign investments are not enough to guarantee the development of national economies. It is necessary to increase the influx of development aid, something that the current U.S. Government has reduced.

Now that the Cold War is over, that country should use part of its currently unjustifiable military expenditures to establish a fund to promote the development of Latin American and Caribbean countries.

The United States should foster a radical and definite solution to the region's foreign debt, which is already $487 billion. It should stop using intellectual property as a negotiating weapon. It must derogate the arbitrary Super-301 special disposition that unilaterally punishes trade partners. It must exempt the Latin American and Caribbean countries from the brutal demand of having unrestricted access to services, a demand imposed at the Uruguay Round.

Cuba is happy that the United States is proposing, at least theoretically, the implementation of what it has called second generation economic reforms to resolve the continent's social problems. The resources allocated for this, however, are absolutely insufficient.

Cuba is pleased to hear that the United States wants to modify inter-American security precepts prevalent during the Cold War and to work for a new relationship not connected to the presence of U.S. military bases in the region.

To be consistent with that policy, the United States must dismantle the Guantanamo Naval Base and return to Cuba a territory it has occupied for almost 100 years.

It must withdraw its bases from Panama, as the treaty establishes, and from any other Latin American country.

If the United States is concerned about sustainable development in the region and environmental pollution, it must sign Agenda 21 of the Rio summit.

Cuba agrees with the establishment of mechanisms of hemispheric cooperation to fight drug trafficking. This must not be at the expense of the sovereignty of the involved countries, however.

The concerns of the continent's armed forces which refuse to act as counternarcotics policemen are valid. The demands for a reduction in U.S. drug consumption are also valid.

The United States must change its immigration policies for Latin America and the Caribbean. It must promulgate a law that automatically legalizes the status of citizens from this region who enter the United States, as it is doing with Cuba's citizens.

Now that the Berlin Wall no longer exists, the wall erected along the Mexican-U.S. border should come down.

Cuba deems positive the U.S. idea of convoking the continent's nongovernmental organizations to make recommendations about the agenda, but all such organizations must be invited and the demands of Indians, women, peasant organizations, labor unions, and other representatives of civil societies, who have much to say about the issues to be discussed at the summit, must also be heard without unfair exclusions.

Finally, this is a fitting occasion to demand that the United States comply with the UN resolutions on the criminal and unjust blockade against Cuba, the intention of which is to spill blood and force our people to surrender out of hunger.

If these issues are discussed at the Miami summit, Cuba wishes it success, but if all it comes down to is an attempt to draw lines on the hemisphere, to isolate Cuba, to control the Latin American and Caribbean market, and to check Europe, Japan, and the rest of the world, then we would have to recall what Jose Marti said in judging a similar meeting that took place in Washington 105 years ago: After seeing with inquiring eyes the record, rationale, and factors involved in the invitation, it is necessary to say, because it is true, that the time has come for Spanish America to declare its second independence.

Thank you.

Speaks at 14 Jun Afternoon Session

FL1506142094 Havana Radio Rebelde Network in Spanish 1155 GMT 15 Jun 94

[Report by correspondent Demetrio Villaurrutia from Colombia]

[Text] Our commander in chief's first address during the 14 June morning session of the fourth Ibero-American summit was followed by another address by Fidel. This was a closed-door session held at the Convention Center. The address came during a debate regarding democracy in Latin America, which included a clear reference to Cuba. Brazilian President Itamar Franco then stated that the only way Latin American people can help is by joining efforts to support Cuba and its reintegration to the OAS. This motivated Fidel to speak and I believe it is important for all our listeners throughout Cuba to listen to his words.

[Begin Castro recording] I want to—since my country, Cuba, has been mentioned repeatedly by several of the speakers—first of all give thanks to those who care about

Cuba. I can feel a sincerity in what they have said. This is why I have applauded each one. I know that at times, when I speak, some do not applaud. That is fine. I respect that. I believe this is a democratic thing and each has to do what they believe is pertinent. I have applauded everyone, some more enthusiastically than others. From everyone I have truly felt—and I thank you for it—a concern for Cuba.

It caught my attention, however—this is why I appreciate so much President Itamar Franco's gesture—that not a word has been said about the unfair, criminal, and inhuman blockade which for over 30 years has been imposed against Cuba, the largest ever blockade in the history of a Latin American country with which no dialogue is sought. What is sought is to smother Cuba in blood and make it surrender by hunger. This is the reality.

I would have liked to hear within that Latin American spirit some reference to this. I believe our people also deserve commendation if we keep in mind the heroism, firmness, and dignity with which hey have resisted for over 30 years the U.S. blockade and aggression. Later on, we were left alone. Many, when left alone, surrender. Yet we have not surrendered. We have continued fighting because we are aware that we are defending the dignity, sovereignty, and independence of the peoples of Latin America. This is, precisely, what Marti wanted with Cuba's independence.

It amazes me that not a word has been said to the effect that Cuba is the country which has advanced the most, socially, in the history of this hemisphere. We have done so much that I believe we have done more than what was possible. Not a single word has been said, as we speak about the social crisis in this hemisphere and so many closed schools, to the effect that our country, subjected to a double blockade, has not closed a single hospital, a single school, has not abandoned anyone. Our country, even under the most difficult conditions, has struggled and resisted.

In a hemisphere, which as you know well, whatever our current, present, or definitive—as you will—accomplishments may be, which please me to no end-....[pauses] We know, however, that this hemisphere where we all live, has the worst distribution in the whole wide world by far. I am talking about our region, with exceptions, of course, in certain countries. This is the region with the worst distribution of national income in the world and where so much remains to be done. Yet, not a single word is said about it.

It also surprises me that not a single word has been said about the joint position which we should present at the notorious Miami summit. This is very important, vital, and looming close.

Finally, I would like to state that I respect your views. I sincerely respect your thoughts, concepts, and ideas about democracy. We should hold a summit to discuss what is democracy and what is meant by people's participation; what does it mean that millions of people die in this hemisphere every year from disease and hunger, millions who could be saved. It is our duty to think about all of this if we are democratic, if we are human.

We have our ideas and views on democracy and do not feel ashamed of them. With these views, we have resisted and struggled for 35 years. I believe the blows we have endured during these 35 years—we cannot forget history—since we were first blockaded, way before the declaration of the socialist character of the Revolution, when we were blockaded and our sugar quota was apportioned among all ....[pauses] Cuba was left practically alone with the highly noble exception of Mexico which maintained ties and relations with us. I respect everyone's views. I believe that if we are to speak about democracy, we have to speak of a multiplicity of views and opinions. I ask that our views be respected in the same manner that we respect yours. This said, I thank you once more for the concern you have expressed regarding Cuba. Thank you very much. [applause] [end recording]

Colombian Chamber of Commerce Director on Ties

PA1506043594 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Jun 94

[Interview with Augusto Martinez, executive director of Colombia's Chamber of Commerce of Cartagena de Indias, by Pedro Otero, in Cartagena de Indias; date not given; from the "Evening Information Review" newscast—recorded]

[Text] [Otero] Does the Cartegena de Indias Chamber of Commerce have any kind of relationship with the Cuban Chamber of Commerce? Cartagena de Indias and Santiago de Cuba are sister cities through a decision by their respective mayoralties. I believe they probably have some sort of ties. Cartagena de Indias is a Caribbean city. I believe the Cartagena de Indias Chamber of Commerce might approach Caribbean countries. The Association of Caribbean States will be established soon, and I believe Colombia will be part of that organization.

[Martinez] Since the resumption of relations between Cuba and Colombia, Cartagena de Indias has benefited greatly from this new phase of relations with Cuba, and due to certain characteristics and agreements on many aspects—economic, geographical, and cultural—we have maintained close contacts with the Cuban delegation in Colombia.

We have already established a number of contacts—in addition to the establishment of a fraternal relationship between Cartagena de Indias and Santiago de Cuba that you mentioned—after holding meetings with the Cuban Embassy and charge d'affaires to study the possibilities, and we are virtually organizing a number of activities, beginning with a business mission from Cartagena de Indias and the entire Atlantic Coast to Cuba, which we will organize.

We are planning to organize this group in July, and we want to involve businessmen not only from Cartagena de Indias but also from Barranquilla and other areas along the coast because, according to information we have received from the ambassador and the charge d'affaires, there are enormous possibilities to establish two-way exchanges, not only from Colombia to Cuba, but there are also many business activities in Cuba that are competitive.

With the opening and the tourist boom in Cuba, the island, its businessmen, and its tourist sector require a number of goods and services that are not being offered. There is an enormous potential there. Colombian businessmen could find a market; in fact, some have already approached us to establish a direct relationship with Cuban businessmen through the Association of Businessmen and the Cuban Chamber of Commerce.

We have not yet had official contact with the Cuban Chamber of Commerce. We have started efforts given the possibility of organizing this mission. We hope to invite not only the Cuban Chamber of Commerce but also the chambers of commerce of the entire Caribbean area to a meeting in Cartagena de Indias, possibly next year, of Caribbean chambers of commerce and businessmen affiliated with them.

Castro, Salinas Hail Bilateral Relations 13 Jun

FL1406135194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Jun 94

[Remarks by Mexican President Carlos Salinas de Gortari and Cuban President Fidel Castro at the Mexican Embassy in Havana on 13 June; from the "NTV" newscast—recorded]

[Text] [Salinas] Comrades, Cuban friends: This is an especially important visit. A visit to Cuba can never be considered a mere stopover en route to other nations, even for a Mexican president. It is a vital visit. Just being here makes a statement. I want this visit to be deep and broad in content and not just a formal visit. In summarizing what has been discussed and agreed upon over this long and intense period, I would said that two essential elements turned this visit into a very important state visit for the Mexican president.

First, we have reaffirmed what is clear to many: No one should forget the affectionate, lasting, and permanent relationship between the Cuban and Mexican peoples, a relationship that is neither affected nor diminished by circumstances or events. [applause]

Second, the intensity, depth, and significance of this visit have translated into specific results in the effort to strengthen ties. Cuba and Mexico have established economic, financial, and commercial ties to their benefit. On this occasion, I am pleased to note that we were able to realize what took months of intense talk and negotiation among several Mexican businessmen, namely a Cuban- Mexican association. This alone is a great step forward and shows that we can build this relationship with solid brick, on a strong foundation and with deep roots. There will always be a place in the Mexican people's heart and mind for the beloved and respected people of Cuba.

[Castro] President Carlos Salinas de Gortari, esteemed Mexican and Cuban brothers: I knew I was not going to get out of having to speak. [laughter] We are true slaves to the clock and must stick strictly to the agenda. This is why I will only say that we have broken several Olympic records here. First, this is the shortest official visit we have had. This must be noted in the Guiness Book of Records. Second, many things have been accomplished during this visit. President Salinas' ability to do things quickly is truly admirable. Third, another Olympic record involves the friendship, warmth, trust, and brotherhood which President Salinas has given to every issue and aspects he has already explained.

This is not a stopover. A stopover is what I am doing here, at the Mexican Embassy, before moving ahead. [laughter]

This outstanding official visit has been very good and productive. Visiting Cuba today is an act of courage, given the magnitude of the campaign against Cuba. Therefore, the Mexican president and his delegation have carried out a courageous and admirable act. [applause] We will always remember and be eternally grateful.

Looking at the clock, we will have to run as fast as we can, without getting ourselves killed, to meet the agenda and be at the airport by 1700. [laughter] Another record has been set: I have delivered my briefest speech ever. Thank you. [laughter, applause]

French Union To Offer Material, Political Support

FL1406145794 Havana Radio Rebelde Network in Spanish 2300 GMT 13 Jun 94

[Report by Orestes Eujelles at Cuban Workers Federation Headquarters from the "Exclusive" program]

[Text] The National Federation of French State Workers, made up of civilian employees of the French Armed Forces, will issue a medal of solidarity with Cuba. The medal will carry the image of Commander Ernesto Che Guevara and bear his historical phrase: Until victory always!

(Henri Ferry), secretary general of that French organization, made the announcement during a meeting in the capital with high-ranking leaders of the Revolutionary Armed Forces [FAR] civilian workers labor union today. (Ferry) emphasized that the National Federation of French State Workers will develop a strong movement of material and political support to counter the U.S. blockade against Cuba. He added: We will support the Cuban people until they fully achieve their prosperity. Jose Antonio Roque, secretary general of the FAR

Civilian Workers' National Union, told the visitors about the organization's priority tasks, including preparations for their sixth congress scheduled for June 1995.

Authorities Reinforce Surveillance at Embassies

PA1406210594 Madrid EFE in Spanish 1817 GMT 14 Jun 94

[Text] Havana, 14 Jun (EFE)—Today, Cuban authorities reinforced surveillance at diplomatic missions, particularly Latin American ones, in Havana following the entry of 20 Cubans into the German Embassy. The streets surrounding the Belgium and German Embassies, where two groups of Cubans have entered in the past weeks, remain closed to vehicle traffic. The diplomatic missions of Peru, Mexico, Colombia, and Argentina are heavily guarded.

Diplomatic sources view this deployment of police forces as a preventive measure in light of likely incidents at other embassies while the Fourth Ibero-American Summit is being held.

The recent situation triggered by the crashing of a truck carrying 21 persons—18 men and three women—on Monday into the German Embassy so as to request political asylum remains the same, and seemingly, no changes have taken place.

German Embassy sources consulted by EFE today refused to comment and limited themselves to referring questions to the Foreign Ministry in Bonn. Foreign Ministry spokesmen in Bonn indicated that their government is seeking a European solution for the Cubans inside their embassy and the Belgian ambassador's residence in Havana. The German Embassy and the Belgian ambassador's residence are only a few city blocks apart in the Miramar neighborhood.

The same source noted that the Cuban refugees are refusing to leave the embassy if their situation is not resolved. This stand is similar to that adopted by a group of 100 Cubans who have occupied the Belgian residence for two weeks. Only seven persons have left thus far.

A diplomatic source told EFE that currently, the European embassies maintain normal contacts regarding these cases, and that at any moment, the EU ambassadors could meet to discuss the situation at the German Embassy.

In either case, the Cuban Government has insisted on pointing out that this is an "illegal" action that in no way can replace regular procedures for leaving the island. Yesterday, the Cuban Government referred to the incident at the German Embassy as "a carefully planned and unacceptable act."

Meanwhile, the Belgian Government said the 117 refugees must leave the residence peacefully and follow legal emigration procedures. They have indicated, however, that the conflict will not be easily resolved because of the refugees' resistance.

Authorities Investigate Illegal Vehicle Sales

FL1406163994 Havana Radio Rebelde Network in Spanish 1155 GMT 14 Jun 94

[Report by Felix Carbonell from the "Doing Radio" program]

[Text] A total of 400 people nationwide have been charged with illegal vehicle sales so far. In Havana, there are approximately 3,000 cases of automobiles and motorcycles involved in transactions through powers of attorney, one of the most frequently used ways to give vehicle sales violations a legal face. Investigations are underway to determine whether transactions that involved a number of vehicles that have changed hands were legal.

Raul Castro Attends Central Army Military Council

FL1406232494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Jun 94

[Text] General Raul Castro, minister of the Revolutionary Armed Forces [FAR], has participated in the extended military council of the Central Army conducted by Division General Joaquin Quintas Solas. Commander of the Revolution Juan Almeida Bosque and Division General Ulises Rosales del Toro, both members of the Politburo, were also present.

The military council of the Central Army agreed to further increase defense training levels, to give priority to the unit's seven main guidelines, to continue agricultural and fish farming development, and to emphasize self-financing. In this way, they hope to attain the best command status of the interarms emulation program.

The agenda covered various topics of interest. Porfirio Rodriguez, chief of the General Staff of the Central Army, offered an overall view of the efforts of this command, including efficient training of the troops, improvement of the army's structure, the satisfactory preservation of combat equipment and weapons, permanent commitment to preparation of the theater of military operations, and fulfillment of tasks ensuring capabilities and full combat readiness and the [words indistinct].

Topics related to the Armed Forces' self-sufficiency, particularly in this region, were also discussed. Martinez, chief engineer of the army's farming detachment, described the improvements in food self-sufficiency, such as plans—already progressing well—to increase production by 30 percent in comparison with last year. They have 325 hectares dedicated to fish farming and also to raise chickens and pigs. The meeting also emphasized the need to control production costs and eliminate subsidies until profits are attained for contributing to the self-financing of FAR. Raul pointed that in order to do this, it is essential to keep strict accounts.

A special address was given by Jose Luis Rodriguez, minister of finance and pricing, who cited the steps taken by the government to mend the country's finances, measures already adopted and others being prepared, such as the tax system for certain nonsalary incomes. He also pointed out the importance of the budget as a central element in the economy, and the importance of restoring accounting and auditing in attaining financial discipline. On this subject, Raul highlighted the words of the commander in chief on the necessity to reestablish economic discipline by all means, and added:

[Begin Castro recording, in progress] ...the total or general discipline of the country. The first step is to stop impunity in every aspect and sector. [end recording]

Tomas Cardenas and Manuel Menendez, first secretaries of the Communist Party of Cuba [PCC], in Villa Clara and Cienfuegos respectively, gave briefings on the political, economic, and social situation of their provinces and the work carried out by the PCC to overcome the current difficulties.

The excellent work accomplished in the municipality of Caibarien on defense, the food plan, and the links between the PCC and the masses was pointed out as a valuable experience worth study by other municipalities.

Div. Gen. Ulises Rosales del Toro, vice minister of the FAR, congratulated everyone for the satisfactory condition of the army and its solid, stable combat readiness to defend the region. This was reiterated by Raul on behalf of Almeida, who is a founding member of this command, and himself.

[Begin recording] [Castro] This is the most stable command; yet it is in the vanguard. [end recording]

Finally, Div. Gen. Quintas Solas challenged the other armies, stressing that the Central Army will strive to achieve the best command status.

[Begin recording] [Quintas] Firmly rooted in the glorious era of the vigorous rebellions of slaves, in the land soaked in Mambi and the rebel blood of the immortal army of Gomez and Maceo, Camilo and Che, in the 5 September streets quenched with heroism, in the mountains where we defeated the bandits, and in the glorious sands where imperialism sustained its first great defeat in Latin America, the fighting people of the Central Army work together with you to guarantee, at any cost, the sacred defense of the fatherland. [end recording]

This tour through the Central Army was reassuring to those accompanying the FAR minister since it was evident that the Armed Forces is headed in the right direction, and is increasing its ties with the people.

Brigadier General Interviewed on Western Army

FL1506010794 Havana Tele Rebelde Network in Spanish 0050 GMT 14 June 94

[Interview with Brigadier General Samuel Rodiles Planas by reporter Hector Rodriguez, on the "This Very Day" program on 14 June, monitored in progress—live]

[Text] [Rodiles] ...of unit troops. I remember our first maneuver in 1962, directed by the head of the Army, Commander Guillermo [not further identified]. I mention this as a comparison to our Western Army's preparedness then and now. I should mention that this took place in 1962, and the Army was founded on 14 June of that same year.

The maneuvers began and we were assigned to carry out offensive maneuvers. I was the head of Division 1270, and Military Unit 2424 was subordinate to our unit, which was headed by then Captain Mario [not further identified], regarding all equipment, and we were unable to communicate with any of the subordinate units. [chuckles]

[Rodriguez] So, there has been a total change.

[Rodiles] Yes, a very significant change. That is where we realized we were lacking a lot of military preparation. We went through other things as well.

I mention this example because an immense majority of those soldiers filled officer ranks in the new Army. But as time passed, the Army began to grow in knowledge and experience. I also wanted to point out that after the collapse of the former Soviet Union, our academies and military schools began offering the advanced military courses that were offered in the USSR, with the same efficiency as in the former USSR.

Today, we have more than 114,500 combatants and internationalists in our western territory. That figure includes combatants, from the production and defense brigades to our main units, as well as reserves. In that, we can see the great combat experience that our Army has acquired. All the officers and specialists, after graduating from military schools, went on to the General Staff and the troops, and once again received the practical knowledge of how to lead the troops in a modern battle. That is how we continued strengthening ouselves in theoretical principles, as well as in the practical knowledge of leading the troops.

Beginning in the 1980's, the doctrine of the people's war began to be taught. Our main leader, the commander in chief, and the minister of the Revolutionary Armed Forces [FAR], realized that it was necessary to develop this type of defense in all its aspects since the defense of our socialist fatherland would eventually depend on our, the FAR's, and the Cuban people's effort and knowledge. That is how, in the eighties, the concept of the people's war was established and taught.

I do not exaggerate when I say that since then, we have trained tens of thousands of cadres and militants in the Territorial Troops Militia [MTT]. This is in addition to the preparation given our recruits and officers, who have gone through our command to create the real conditions to carry out that sacred mission assigned 33 years ago. In this concept of the people's war, we have linked ourselves more and more to the production and defense brigades, the defense zones, the municipalities, the MTT's. In a nutshell, the concept of the people's war is of the working and revolutionary people.

Together with the increase in volume of the equipment and quality of the armaments, we have carried out and continue to carry out serious work in the preparation of the military operations theater. We have the experience of the war in Iraq. At this moment, our armaments and equipment are ready to counterattack an enemy attack. It has the necessary vitality and conditions to carry out the mission successfully.

Taking all this into account and faced with the question of what our Western Army represents today, I would say it defends the largest territory of our country. It includes the capital of our Republic, where the leadership of the party and the Army, the revolutionary government, and a large part of the important industries in our country and objectives of such importance are located.

The armaments that our Army has are significant in power and capacity. If this is an important objective, since the country's leadership is located here, we believe this is of strategic importance. And for its defense—I am not revealing any secrets by saying this—we have troops who can guarantee the success of that mission and form part of the country's strategic goals. We understand the high responsibility that the Western Army has because of its sacred and historic mission.

I wanted to conclude by pointing out that on one occasion, the commander in chief stated that we would defend that sky, this flag, and this land regardless of the cost. To our commander in chief, we say the Western Army, beginning with its head, will defend the capital of the nation regardless of the cost and conditions. It will never surrender to an enemy aggression. We are sure of this.

[Rodriguez] General, I know there is competition—I have called it beautiful competition—among the three armies. Well, there is also the Youth Labor Army [EJT], but they do not have the same characteristics. They are the fourth Army. But the Western, Central, and Eastern Armies are competing to be the best and most outstanding command. I would like for you to address this.

[Rodiles] Hector, a pure, healthy, beautiful competition exists among comrades. This competition is fraternal and fruitful. We have no doubt that the FAR will be who ends up winning because the results will be greater preparation, capacity, and combat readiness to defend the fatherland, the Revolution, and the achievements of socialism. Nevertheless, the Western Army has the conditions of being named the first command. In other words, it is in condition to be given the honor of best command of the FAR.

[Rodriguez] [Words indistinct] in the Eastern Army.

[Rodiles] Today, our dear brother Espinosa of the Eastern Army has it.

Last year, the Ministry of the Revolutionary Armed Forces [Minfar] held its inspection. We were also part of that inspection. It was a rigorous inspection. We obtained the high grade of good. That inspection demonstrated the morale and enthusiasm of all our comrades as well as the party and government leaders of the provinces and municipalities, the defense zones, and the production and defense brigades. This inspection covered the military aspects, as well as the aspect of the defense directed by the party and the government etc., and we were graded as good. That result was demonstrated.

The inspection also demonstrated the ties, cooperation, and harmony that exists between the people's defense forces and the Western Army. Once again, it demonstrated the great affinity that exists between the Minfar and the military commands that were being inspected.

The increase in the military operations theater is significant. I have already mentioned that it guarantees the vitality of the forces and equipment that will carry out such important missions. The political morale and discipline are high. Without discipline, there is nothing, as the minister of the FAR has said. We have reached first place in the conservation of armaments and equipment—and a colonel who has already been here can attest to this.

The agricultural-livestock sector is also very important. Raul challenged us to increase production by 30 percent. In some areas, it is much more than 30 percent: tubers, grains, and fish breeding. In self-sufficiency, our military heads have the basic economic training to establish an inventory of goods produced. Because of all this, we believe we will reach first place.

[Rodriguez] You are still in the fight.

[Rodiles] Yes, we are still in the fight. [words indistinct] victorious and invincible in Havana at 33 years of age. Today, our Army is 33 years old. At that age, we will dedicate the achievement of obtaining first place in this fraternal competition to our commander in chief.

[Rodriguez] I know there is a strong competition and it is a competition in which the FAR will be the winner. The FAR will perfect itself during this competition. I know that the best command is the Eastern Army, but this year you hope to obtain that distinction. There is one topic, to conclude, that has been stressed. The minister has emphasized this. We are talking about the attention to the soldiers and officers. I would like you to discuss this briefly.

[Rodiles] This is one of our main areas of work, which has been stressed by the commander in chief, as well as by the minister of the FAR. Despite the critical and difficult conditions that we are all aware of, brought about by this special period in peacetime, we have not wavered in our attention to the workers in general. We continue working to perfect living and working conditions for all categories of personnel in the Western Army. In some units, we are even working intensively to complete housing before 26 July to improve those conditions.

In the recreational, cultural, and tourist areas, we are improving centers for the relaxation of our troops and officers in general. This year, several thousands of comrades, officers, and their families enjoy this attention to the worker. Beginning this year, we are going to at least duplicate the conditions and possibilities so our personnel can enjoy those vacations and recreational and cultural activities.

To conclude, I want to say that we have an ambitious plan to build low-cost housing to improve the living conditions of our officers and their families, a large number of whom are living at the military unit due to the shortage in housing that we all know about. The officers, their relatives, and friends work in the construction of the houses. In other words, it is a family effort which will make them appreciate the houses even more.

[Rodriguez] Brig. Gen. Samuel Rodiles, thank you for your participation on this program.

Lieutenant Colonel Notes Training Efficiency Measures

FL1406201494 Havana Radio Progreso Network in Spanish 1100 GMT 14 Jun 94

[Interview with Lieutenant Colonel Sandino Fernandez, deputy chief of the Playa Giron Fighter Brigade, by Eduardo Gonzalez at Playa Giron on 14 June; interview opens with one Major Chamizo answering a telephone call and the "Alert Position One" order, followed by an air raid siren; from the "First Thing" program—recorded]

[Text] [Gonzalez] We are with the Playa Giron Fighter Brigade, celebrating the Western Army's 33d anniversary. The pilot has two minutes to take off for this air patrol exercise. We will talk with Lieutenant Colonel Sandino Fernandez, deputy chief of the base, in the meantime.

This type of unit consumes a lot of fuel, lubricants, and electricity. How do you manage to maintain a high degree of combat training and readiness with only one-third of the energy resources?

[Fernandez] First, many of the problems that we used to solve through consuming energy are now solved through our comrades' ingenuity and intelligence. We have developed flight simulators that cost pennies to operate to maintain training levels comparable to years ago.

[Gonzalez] I want to tell our listeners that the MiG-29 motor is already running and that Major Chamizo is aboard.

[Fernandez] The simulators save having to conduct flights, which cost between $6,000 and $7,000. They make it possible to train the pilots—although without the psychological impact of a real flight—on the ground for pennies. It costs about one or two cents in terms of electricity, even with the new electric fees.

[Gonzalez] The air patrol is taking off. It has been one minute and 50 seconds since the alert call came in. Of course, our pilots conduct real flight exercises to maintain their proficiency. Several related tasks are conducted in every exercise to conserve resources.

[Fernandez] We have developed devices, modeled on the bicycle gear, that allow us to forego the use of trucks, trucks used to charge batteries, and trucks used to cool the air on the airplanes. We have mounted air tanks and air conditioning equipment on bicycles and tricycles. This allows us to prepare the equipment without using fuel. We have also managed to reduce electric consumption to a minimum. We use electricity only in those instances when it is necessary.

Santiago de Cuba Committed to Sugarcane Harvest

FL1406141194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Jun 94

[From the "NTV" newscast]

[Text] Sugar workers from Santiago de Cuba and other provinces will work hard not only to harvest the last bit of sugarcane but also to properly prepare for the next harvest under adverse conditions. This commitment was made to the provincial Communist Party of Cuba leadership during an assessment of the results of the last 10 days of the harvest. The province has already surpassed the production level attained in the last harvest and is gearing up to complete the remaining sugar production. This goal implies establishing a link between the cane waiting to be processed and the mills with higher production capacities. This vital final period is getting the support of the manual and combine workers from mills that have completed operations.

Only the Rafael Reyes, Salvador Rosales, and America Libre Mills have met their sugar production goals to date. Recognizing their success, Politburo members Jose Ramon Machado Ventura and Esteban Lazo instructed the management of those mills to present labor feat banners to their respective workers.

Machado Ventura stated that together with the efforts that the current harvest demands, it is necessary to guarantee, by every means, the sugarcane spring planting campaign. This makes it necessary for Santiago de Cuba

to increase the daily pace to keep up with the program. Esteban Lazo stated this is why we need to take advantage of the days remaining in June to get ahead without neglecting crop tending tasks.

Granma Must Double Agrarian Yield To Meet Needs

FL1406235794 Havana Radio Rebelde Network in Spanish 1155 GMT 14 Jun 94

[Interview with agronomist Justina Reve by journalist Diosdado Maso in Granma Province for the "Doing Radio" program—live or recorded]

[Text] [Maso] Granma Province will have to double its efforts with agrarian products to fulfill some of its residents' needs. Granma has not escaped the special period's rigors regarding tuber production. Perhaps it will have to change its production plans, 68 percent of which is dedicated to plantains, 50 percent of the province's total production. There are many problems, however; the province needs fertilizer for 24 of the 800 caballerias that have been sowed. It has 12 tons of fuel when it actually needs 36 tons, and it has less than half the manpower needed to tend this crop. Could the plan be responsible for a low yield and Granma's inability to meet the demands for tubers and vegetables? Well, since we are currently at a basic production unit, we will talk with agronomist Justina Reve. What do you think, Justina?

[Reve] We must understand the situation. Production at our farm, meaning our enterprise, must be distributed twice to each consumer—if we may use that expression. In other words, although we have to distribute the produce among the population, we must also send the produce to daycare centers, schools, and hospitals. This scant production must be distributed among all consumers. Likewise, we must realize a higher amount of produce than was previously available in the market and the [words indistinct] stands. Now we can produce only enough tubers and rice, of which there is very little, to send to market. Although we continue to produce the same amount of tubers, it is not enough because we have to supply more consumers.

[Maso] Then you agree with what the report indicates—that efforts are being made here in Granma, but that you fail to meet the demands?

[Reve] Yes, I agree with that, but we must add something: The people hear that we have sowed many caballerias in Granma, but they must realize that not all of these caballerias are currently producing. Most of the caballerias were recently sowed with plantains, which need between three and four months to grow, so production has yet to begin. A small number of caballerias are currently producing, so we cannot produce more or meet the people's demands.

Commentary Questions Conditions for Criminal Trial

FL1406184594 Havana Radio Rebelde Network in Spanish 2300 GMT 13 Jun 94

[Commentary by Teresa Valdez from the "Exclusive" program]

[Text] We must always consider the conditions for committing a crime when deciding whether to bring someone to trial. Take the case of a robbery at the enterprise supplying sugarcane harvesters that was reviewed by the Fourth Havana Provincial Court. The chief custodian testified that he realized only on Sunday morning that the storehouse had been robbed of merchandise in high demand, including ballpoints, brake fluid, battery acid, work boots, and work clothes for the sugarcane workers. The defendant testified that he had found the key to the storehouse, opened it, entered, and took all he could. The custodian who testified said he had trouble seeing what was going on because he was at the other station, 200 meters away. The stolen material was listed at the trial, and everything was recovered.

Meanwhile, authorities at the same storehouse have come up 17,000 pesos short of goods during their inventory. The investigating authorities are trying to pinpoint what is missing.

It is important to note that while the robbery led to the defendant's appearance before the judge even though the stolen merchandise was recovered, the shortage involving thousands of pesos is merely being investigated.

I mention this because today's TRABAJADORES editorial insists that our country's so-called undergound economy thrives on state-owned merchandise and that the stolen merchandise ends up on the black market. The two situations violate the law in the same way. Yet, which do you consider more important to society, if we recall that life is the law and the law is life?

Barbados

Prime Minister: No-Confidence Vote 'Miscarriage of Justice'

FL1406110794 Castries HTS Caribvision Television in English 1945 GMT 13 Jun 94

[Text] The region continues to remain on standby as it awaits word from Prime Minister Erskine Sandiford, of Barbados, as to what he proposes to do. A motion of no-confidence was passed in Parliament last week against the Barbadian leader, the first of its kind in the Caribbean, the humiliating 14-12 vote, including that of his ministers from his very own cabinet.

It was widely speculated that Prime Minister Sandiford would have resigned following this defeat, but the leader, reputed for taking his time when it comes to decision-making, has, to date, not indicated what he intends to

do. Sandiford is reported to have attacked his opponents and the resolution last week by stating, quote, I will use the last ounce of breath that I have in my body to deal with that question of the resolution that has no basis and no validity in terms of being able to stand up to a truthful record of the situation as far as it relates to me, as prime minister and as head of the government. I will not rest until this is done, end of quote.

Sandiford described the outcome of the vote as a miscarriage of justice in the political arena, where, he says, an attempt could be made to hang, draw, and quarter him on the basis of the resolution that, itself, is riddled with lies and untruths.

Dominican Republic

Foreign Minister Warns of Problems To Maintain Embargo

PA1406223494 Madrid EFE in Spanish 1944 GMT 14 Jun 94

[Text] Santo Domingo, 14 Jun (EFE)—The total embargo along the Dominican border with Haiti will be impossible to maintain for much longer, said Dominican Foreign Minister Juan Aristides Taveras Guzman. He has added that neither the OAS nor the United Nations have made any move to send resources to change that.

Taveras has affirmed that the possibility of these international organizations helping the Dominican Republic to defray the cost of keeping 15,000 troops deployed along the Haitian border has not been discussed.

Dominican authorities hope the Haitian situation will be resolved soon because it is almost impossible for the country to withstand the cost of the military deployment for much longer. The troops have been in the area since 26 May.

The foreign minister added that his government has requested technical assistance to help supervise what he called the "good job" his country is doing to prevent violations of the trade embargo, which the international community has imposed on Haiti.

He cited the recent OAS General Assembly, saying: "We are the last ones to want an embargo violation, and we have supported all of the resolutions issued to that effect. Furthermore, we just made a firm and definitive statement at the recent foreign ministers meeting in Brazil asking for everyone to stop scrutinizing and criticizing us."

Directly addressing the Haitian problem, he said the situation has affected the Dominican Republic more that any other member of the international community. The Dominicans have had to pay a high price for the Haitian problem and, therefore, believe the criticism against them should cease.

Taveras said his country is still waiting for the list of products that will be allowed to cross the Haitian border. Dante Caputo, OAS and UN representative, has promised to provide the list of items on humanitarian aid.

The foreign minister has discarded the possibility of military intervention in Haiti "for the time being." Such an operation would seek to dislodge the military leaders there and restore constitutional President Jean Bertrand Aristide to power.

Taveras said the international organizations are determined to use every possible peaceful, diplomatic, and political means to resolve the Haitian crisis. He affirmed that if such a military operation were to occur, it would be a multilateral effort.

The United Nations, the OAS, and several countries have criticized the violations that have occurred before 26 May along the Haitian border. The embargo became totally effective 24 hours after a meeting between Dominican President Joaquin Balaguer and U.S. and OAS representatives.

Dominican Soldier Shoots Haitian Man at Border

PA1506004194 Paris AFP in Spanish 2320 GMT 14 Jun 94

[Text] Santo Domingo, 14 Jun (AFP)—Several coinciding reports indicate a Dominican soldier shot to death a young Haitian man today as several Haitians tried to cross the border into the Dominican Republic to purchase supplies. The victim was identified as July Jean, 24, who was hit in the temple by a bullet.

In initial explanations to reporters, Army spokespersons have said July Jean and several other Haitians tried to attack an Army soldier who shot his rifle while trying to defend himself, seriously wounding the man. The young man was taken to Mella Hospital in Dajabon, where he died. The victim lived in the township of Juan Jimenez, near Dajabon.

Hundreds of Haitians come to the border everyday in an attempt to dodge patrols and enter the Dominican Republic in search of food, fuel, and medicine.

July Jean is the second Haitian to die within the last 10 days. The first was an unidentified young man of just under 20 years of age, also shot by a Dominican Army soldier.

The recently intensified embargo against the military regime ruling in Port-au-Prince includes fencing off the land and sea borders around Haiti. The line dividing Haiti and the Dominican Republic, the two Caribbean nations that share the island of La Hispaniola, is 300 km long.

Santo Domingo reluctantly agreed to deploy Army troops to control the region. The request came as a result of pressure from Washington, following numerous reports of contraband, especially fuel, crossing the

border. The flow hampered the effects of the blockade to dislodge the Port-au-Prince regime and reinstate deposed President Jean-Bertrand Aristide.

Haiti

Government Orders Hotels To Submit List of Foreigners

PA1506014694 Madrid EFE in Spanish 0039 GMT 15 Jun 94

[Text] Port-au-Prince, 14 Jun (EFE)—The "de facto" Haitian Government has demanded that hotel and boarding house owners in the country report the identity of the foreigners staying in their establishments to the police within a 24-hour period.

The Interior and Defense Ministry issued a communique on this which was revealed today. The decision is based on Articles 60 and 62 dated 26 December 1978, which refer to immigration and emigration and compels the owners of hotels and boarding houses to report the presence of foreigners in that timespan. The communique warns that if this demand is not met, they will proceed to arrest the people responsible and suspend the licenses and operating permits of the hotels and boarding houses that operate in the country.

With this measure, the "de facto" government wants to gain control over the foreigners who arrive in Haiti in case of a possible foreign intervention in this Caribbean country.

The Interior and Defense Ministry also calls on the people to be vigilant and report the presence of unknown people in their areas and to be prepared to maintain their civic duty of defending the fatherland. Furthermore, it calls on people to avoid moving far from their areas of residence to avoid the risks of being killed in the face of a possible foreign invasion.

On Monday, a short while after the state of emergency was declared throughout the entire country, the "de facto" government reported that it guaranteed the security of foreign citizens in Haiti. In this sense, the Information Ministry has requested foreigners to go about their regular business and expressed its surprise at U.S. State Department statements regarding the security of U.S. citizens in Haiti and said the U.S. Government's statements were "precipitous."

Provisional Government To Ensure Safety of Foreigners

PA1406191694 Paris AFP in Spanish 1631 GMT 14 Jun 94

[Text] Port-au-Prince, 14 Jun (AFP)—Today, the provisional government headed by Haitian President Emile Jonassaint (not recognized by the international community) "fully guaranteed" that the government will ensure the safety and unrestricted movement of foreigners living in Haiti.

The Ministry of Information, Coordination, and Culture issued a communique denying OAS/UN international civilian mission (MICIVIH) and U.S. State Department allegations and added that the lives of foreigners, especially U.S. citizens, were threatened during the presidency of Father Jean-Bertrand Aristide.

On Friday, Washington decided to recall some of its personnel from the U.S. Embassy in Port-au-Prince and has urged U.S. citizens to leave the country due to the "unstable political situation."

The Information Ministry communique recalls "a series of incidents during the seven months of Aristide's administration, especially the Leogane affair, which resulted in the arrest of approximately 10 U.S. citizens and almost ended in their tragic death in a lynching inspired by President Aristide's violently anti-U.S. speeches."

"How and why have they forgotten that anti-imperialism fueled state terrorism during that period and threatened—fortunately this is a thing of the past—the lives of U.S. citizens and the security of foreign embassy personnel and facilities," the text added.

The communique also denounced the existence of a "systematic disparagement" campaign against Haiti, describing the attitude of the OAS/UN civilian mission as "weak" and adding that the State Department's behavior "could cause irreparable damage to Haiti."

Ministry Denies OAS Civilian Mission Allegations

FL1406212294 Port-au-Prince Signal FM Radio in French 1030 GMT 14 Jun 94

[Text] The Jonassaint government guarantees all foreigners living in Haiti the freedom to attend to their affairs. The Ministry of Information, Culture, and Coordination strongly denies the allegations contained in the 8 June communique issued by an organization claiming to be an OAS/UN international civilian mission in Haiti, which recounts incidents that occurred on the evening of 7 June between agents of that organization and segments of the Haitian police force.

In its concern for the truth, and to shield the country from the systematic denigration campaign of which it is an object, the Ministry of Information, Culture, and Coordination is pleased to present the following corrections:

The first and most important correction concerns the arms and radios seized by the police patrol on duty that night. The arms and radios were not registered with the

police or with the National Council of Telecommunications [CONATEL], and the two operations were led by known police agents working under the the strictest military discipline.

The Ministry of Information, Culture, and Coordination is reacting to the U.S. State Department memo, which responded to the report by this alleged OAS/UN international civilian mission in Haiti. The Ministry is amazed at the hasty conclusions drawn by this U.S. state entity, which asserts that the lives of Americans are threatened and their safety remains tentative.

Is it necessary to remind them of the series of incidents that occurred during the seven-month Aristide government, including, among others, the Leogane affair, which cost about 10 U.S. citizens their freedom and almost brought them to a tragic death by lynching; and that these types of events were inspired by the anti-American violence of President Aristide's speeches. How and why did they forget that anti-imperialism was nourishing state-sponsored terrorism at that time—fortunately in the past—and threatening the lives of Americans and the safety of people and buildings of foreign embassies? The Ministry of Information, Culture, and Coordination wonders about this.

On that score, this Ministry believes this communique by the international civilian mission in Haiti is very thoughtless as is its corollary, the State Department memo, which can cause irreparable damage to Haiti which—despite low blows and ingratitude—remains on the track of friendship among peoples based on mutual respect and human values and freedom.

The Ministry of Information takes this opportunity to remind all foreigners living on national territory that they have the government's full guarantee of their safety and rights and are free to attend to their affairs.

This note was signed by Jacques Saint-Louis, minister of information, culture, and coordination.

Vatican Denies Signing Agreement With Government

FL1406220894 Port-au-Prince Radio Metropole in French 1600 GMT 14 Jun 94

[Text] The Vatican denies having signed an agreement with the government of Judge Emile Jonassaint to supply wheat to Haiti, contrary to what Port-au-Prince has announced. It is an unfounded assertion, stated Vatican spokesman (Joaquin Navarro).

It should be recalled that on 13 June, the Information Ministry announced the Vatican signed an agreement on 27 May to supply 75,000 tons of wheat, worth $32 million, with the provisional government of Judge Emile Jonassaint. According to the Ministry, this agreement was signed in Italy by the foreign minister and by Charles David for the Jonassaint government.

The Vatican's spokesman, (Joaquin Navarro), asserted, however, that no political representative from Haiti was received in the Vatican.

Aristide Spokesman Condemns State of Emergency

PA1406213294 Paris AFP in Spanish 2006 GMT 14 Jun 94

[Text] Port-au-Prince, Jun 14 (AFP)—This Tuesday, Jean-Claude Martineau, spokesman of exiled President Jean-Bertrand Aristide, condemned the 12 June state of emergency proclamation by provisional President Emile Jonassaint (the international does not recognize him), describing it as a "Duvalierist diatribe and a threat veiled in demagoguery."

In a communique forwarded to the AFP office in Port-au-Prince, Martineau says "the country is, in fact, living amid a state of emergency, and all the people's rights have been suspended since 30 September 1991" (date of the coup d'etat.) "If you want to find those who threaten the country's independence, you will not find them abroad because they are in our country," he added.

Chamber of Deputies Leader Backs De Facto Government

PA1406211694 Madrid EFE in Spanish 1819 GMT 14 Jun 94

[Report by Herold Jean Francois]

[Text] Port-au-Prince, 14 Jun (EFE)—Frantz Roberto Monde, Haitian Chamber of Deputies president, is prepared to support parliament's ratification of the de facto government of provisional President Emile Jonassaint if a U.S. invasion takes place.

The deputy criticized the international community for not having accepted the plan to solve the Haitian crisis approved by parliament this past 2 March. This plan recommended the appointment of a prime minister by constitutional President Jean Bertrand Aristide and General Raoul Cedras' resignation from the Armed Forces leadership. "Since the international community refused the plan and decided in favor of an invasion, we at a the local level must adopt measures to ensure the defense of the territory," Monde stressed in statements which were broadcast last night over the radio.

Monde confirmed his willingness to support the Jonassaint de facto government if foreign military forces intervene in the country. "If an invasion takes place, this government will cease to be a government of exception and will become a legal government in order to defy the invasion," the deputy stated.

In reference to reservations held by the majority of the deputies not to recognize the de facto government, Monde pointed out that he hopes the parliamentarians "will participate in the sessions in order to adopt this decision in case of an invasion." He added that "if the

majority of the deputies decide to abstain from participating and expressing their opposition to an occupation, I believe the last measure to be adopted then should be to dissolve parliament."

Monde, as president of the Chamber of Deputies has not yet adopted an official position in favor of installing the de facto government. Monde, however, has been closely linked to all the government decisions proposed by the military and has appeared in all official ceremonies beside Jonassaint.

On the other hand, the "Crisis Group," created following the implementation of the state of emergency on Sunday and composed by the ministers of economy, foreign affairs, interior, defense, and information, met for the first time yesterday.

In addition, during an irregular Senate session, a group of senators in favor of the de facto government revived the memory of the military removed by the United States in 1915 and 1916 during Haiti's occupation. In their resolution, these senators, most of whom were elected during the fraudulent 18 January 1993 elections, abolished the expulsion order decreed by the U.S. Navy against the Haitian military and reinstated them to the Army with their respective ranks.

In explaining the resolution, described as bizarre and demagogic by political observers in the Haitian capital city, Senator Ehrane Cadet, member of the Alliance for Parliamentary Cohesion that supported the Aristide overthrow, stated that its objective is to encourage Haitians to defend the nation.

Resolution To Inspire Citizens 'To Sacrifice Themselves'

FL1406222694 Port-au-Prince Radio Metropole in French 1045 GMT 14 Jun 94

[Text] On 13 June, the branch of the Senate of the Republic led by Senator Bernard Sansaricq restored officers and soldiers of the Haitian Army who had been dismissed by the foreign occupation forces during the years 1915 and 1916. In a resolution adopted on 13 June, the assembly of the contested 18 January senators declared that the military dismissed in the years 1915 to 1916 would enjoy the same rights, prerogatives, and privileges granted to the retired members of the Haitian Armed Forces. This decision, which had mere symbolic value, is aimed at encouraging Haitians to sacrifice themselves for the glory and greatness of the homeland. Here is an excerpt of the resolution presented by Sen. Cadet:

[Begin Cadet recording] Considering that it is necessary to encourage and stimulate Haitians to sacrifice themselves for the honor and glory of the homeland; considering that it is necessary to restore the memory of the members of the Haitian Army dismissed during the years 1915 and 1916 by the foreign occupation forces, and to correct such a grave injustice, the Senate of the Republic has decided on the following:

Article 1. The dissolution of the Haitian Army, Navy, and police force by foreign occupation forces during the years 1915 and 1916 is null and void.

Article 2. The members of the Army, Navy, and the Haitian police force, dismissed during the years 1915 and 1916, are restored with their respective ranks to the Haitian Armed Forces. [end recording]

That was an excerpt from the resolution voted on 13 June by the branch of the Senate led by Sen. Bernard Sansaricq.

Police Chief's Brother Asks Cedras To Resign

FL1406201394 Port-au-Prince Radio Metropole in French 1900 GMT 14 Jun 94

[Text] Evans Francois, brother of the Port-au-Prince police chief, has asked General Cedras to resign to avoid a military intervention against Haiti. The brother of Lieutenant Colonel Michel Francois addressed a letter to that effect to the Army chief. Let us listen to Evans Francois:

[Begin Francois recording] At this watershed where my country's sovereignty is threatened by the most powerful nation in the world, General, the threats of military intervention are serious. This is not the time to be shilly-shallying. The courageous Evans, one of the authors of the 30 September coup d'etat, could have continued to give you his support. He was convinced you would have changed in a positive direction one day. If tomorrow, I were sure to find even a minimum of seriousness in your behavior... [pauses] What I am sure of, Mr. General, is that the 34 months of crisis have never been managed in the interest of the nation. There was not one government that came from the 30 September coup which, once installed, was not handicapped by your shrewd behavior, which always made you appear in the eyes of the world as a moderate, until appointment of the Jonassaint government, the disguised triumvirate. [end recording]

St. Lucia

Police Force, Inmates Destroy Confiscated Drugs

FL1406111594 Castries HTS Caribvision Television in English 1945 GMT 13 Jun 94

[Text] St. Lucia, like all the other countries in the region, continues to fight off the drug menace. As is customary, large quantities of drugs confiscated are set to the torch, hoping that this and the fines and imprisonment terms can act as a deterrent for both perpetrators and would-be felons. Last month, members of the Royal St. Lucia Police Force, accompanied by prison inmates, took a large quantity of confiscated drugs to the dump site and set it alight. The stash, comprising marijuana, cocaine, and crack, was estimated at over ECU250,000.

Defense Secretariat Discloses Arms Seizures

PA1506002494 Mexico City LA JORNADA in Spanish 10 Jun 94 pp 1, 12

[Report by Jesus Aranda and David Aponte]

[Text] In the past six years, the National Defense Secretariat [Sedena] has seized 134,881 firearms, including rifles and handguns. According to Sedena reports, the total number of weapons the Mexican Army and Navy seized during the first six months of 1994 reached 5,626.

Reports indicate that of the total seized, 95 percent entered Mexican territory through so-called small-scale smuggling, especially through Chihuahua, Michoacan, Sinaloa, Jalisco, and Nayarit.

Meanwhile, Navy Secretary Admiral Luis Carlos Ruano Angulo has said the weapons the Mexican Army and Navy seized belong to drug traffickers, "but we have not found caches of weapons or anything similar."

Interviewed during the inauguration of the 15th Navy Health Medical Campaign, Ruano said the drug traffickers have economic resources to buy weapons, but "too much propaganda is being given to what you call goat horns [AK-47 submachine guns]."

[LA JORNADA] In light of these circumstances, which are being denounced in the United States, isn't it necessary to change surveillance measures?

[Ruano] There really is no need for that. Wherever weapons are being smuggled, it will be stopped.

According to Sedena reports, only 5 percent of the weapons that enter Mexico are brought in legally. Those weapons are given to state governments to supply their police forces, and a small portion winds up in the hands of civilians. The cost of the weapons varies in accordance with their brand, caliber, condition, and use, and prices range from approximately 300-7,000 pesos

Mexican Army figures indicate that during the government of President Salinas de Gortari, the Armed Forces seized 54,208 rifles and 60,673 handguns. In addition, 98,644 weapons, both rifles and handguns, that were seized are available to Sedena. The report adds that in the first six months of 1994, Sedena seized 2,591 rifles and handguns in addition to another 3,035 that are at the disposal of civilian authorities. The Army seized 5,626 weapons during that period.

According to Army reports, most of the arsenal comes, presumably, from the United States, China, and the former Soviet Union. Reports also indicate that the weapons enter the country by land, sea, air, and in small amounts; that is, through so-called small-scale smuggling.

Reports reveal that the federal organizations that receive a greater portion of the weapons are in Chihuahua, Michoacan, Sinaloa, Jalisco and Nayarit. The weapons presumably enter these states mostly by land and in an "organized" manner. Meanwhile, Sedena makes, through its General Directorate of Factories, weapons under a German trademark exclusively for the Mexican Army.

Sedena stipulates the requirement that a citizen must meet to legally buy a weapon. Requirements include that the person live honestly, comply with military service, and have no record of being sentenced for weapons use. Permits to bear weapons can also be obtained based on the nature of the person's occupation, the special circumstances of his place of residence, or any justifiable reasons that merit it.

A document in which the Mexican Army warned the Government Secretariat on the possible illegal entry of 20,000 AK-47 submachine guns, better known as goat horns, was disclosed recently. The first shipment would reportedly consist of 2,000 weapons of this type of (rifles). Later, Sedena stated the entry of those weapons, which would represent less than 20 percent of the weapons seized in the past six months, into Mexico has not been detected so far.

Army Conducts Counternarcotics Operations in 21 States

PA1406161694 Mexico City NOTIMEX in Spanish 0905 GMT 11 Jun 94

[Text] Mexico City, 11 Jun (NOTIMEX)—The Mexican Secretariat of National Defense reported that various national institutions are conducting counternarcotics operations this rainy season, a time suitable for the planting of drug crops.

According to a communique issued by the Secretariat this Friday, Mexican troops have conducted operations in Mexico, Sinaloa, Durango, Chihuahua, Nayarit, Jalisco, Colima, Michoacan, Oaxaca, Nuevo Leon, Tamaulipas, Veracruz, Hidalgo, Guerrero, Zacatecas, Aguascalientes, San Luis de Potosi, Guanajuato, Queretaro, Puebla, and Morelos States. In the communique, the Secretariat of Defense indicated that these operations were not carried out solely in Guerrero State, where local media reported a "massive troop presence."

The communique indicated that operations staged in 21 states on 1 June resulted in the arrest of 10 local drug traffickers, the destruction of 2,242 drug crops, four drug traffickers' camps, and a marijuana drier. Officials also incinerated 323 kg of marijuana seeds, 30 kg of poppy seeds, and 2 kg of cocaine and confiscated 233 firearms and two vehicles.

The institution said that in addition to the counternarcotics operations, authorities will also apply the "Federal Law on Weapons and Control of Explosives."

The Secretariat added that following the "Regional Operation 1- 94," conducted from 10 March to 5 April, 22,418 poppy and marijuana fields, 6,000 kg of marijuana, and 431 kg of poppy and marijuana seeds were

destroyed. In addition, 256 firearms and 28 vehicles were seized. The Secretariat of National Defense stated it is continuing its counternarcotics operations.

PRI National Executive Committee Message on Chiapas

PA1406141694 Mexico City LA JORNADA in Spanish 12 Jun 94 p 20

[Message to the Mexican people from the Institutional Revolutionary Party (PRI) National Executive Committee: "The PRI on Chiapas"]

[Text] The National Executive Committee [CEN] of the Institutional Revolutionary Party [PRI], aware of the changes observed in the conflict unleashed by the EZLN [Zapatist National Liberation Army] in the mountains of Chiapas, and in accordance with the demands made yesterday by our candidate for president of the republic, Ernesto Zedillo Ponce de Leon, states the following:

1. We hereby express our concern over the EZLN communique which rejects the peace agreement proposed by the commissioner for peace and reconciliation in Chiapas on behalf of the government and which brings the dialogue to an end, even though the Mexican people have at all times supported the civilized position adopted by the government.

2. The PRI and all citizens of good faith urge the immediate resumption of negotiations and support for the Chiapas government in every way possible as the conflict enters a new phase.

3. We reiterate that a political solution is the only option that remains in keeping with our convictions, and that dialogue and concerted efforts are essential within the de jure state because, thanks to the efforts of generations, Mexico is a country of institutions and laws.

4. We agree with the government of the republic's statement, made yesterday, with regard to maintaining the cease-fire decreed on 12 January as a prior step toward total and equitable peace because a truce alone will not satisfy the hopes of the Mexican people, nor will it fulfill their desire for harmony.

5. We confirm our democratic conviction, proven by our decisive participation in the Agreement for Peace, Democracy, and Justice on 27 January 1994, which led to amendments of the general Constitution of the republic, the Federal Code of Institutions and Electoral Procedures, and penal laws by totally impartial electoral authorities and which allowed the Federal Electoral Institute to adopt measures to guarantee that the 21 August elections will be credible, honest, efficient, legitimate, and fully in keeping with the law.

The PRI is unconditionally committed to perfecting the country's democratic life and confirms that violence is unacceptable because it is only through institutions that Mexico's problems can be resolved.

6. We agree that democracy can be achieved only if it is based on self-sustained and balanced development, national sovereignty, and social justice, and that it is time to deal more efficiently with social backwardness, regional injustices, and the unfortunate conditions experienced by many Indians.

7. We do not agree that hope for peace fostered in Mexico over the past few months has been thwarted.

8. We hereby confirm that the time has come for political tolerance; therefore, on Thursday 9 June, our candidate sent a personal message to the eight presidential candidates inviting them and the country's social organizations to a direct dialogue with a view to agreements that will support a national unity agreement for democracy, justice, development, and peace.

9. We would like to know why the federal government's goodwill, the protracted negotiations, the months that have gone by, the government's flexibility, and its genuine recognition of the unfair social realities that infuriate us all have proven insufficient.

10. We request that, in accordance with President Carlos Salinas de Gortari's instructions, given yesterday, government offices and institutions vigorously and generously implement legal and institutional changes and a program that will increase the wellbeing of people in Chiapas, especially in the mountainous areas, and bring justice and spiritual peace to their homes.

[Signed] CEN President Ignacio Pichardo Pagaza; CEN Secretary General Jose Francisco Ruiz Massieu

PRI's Zedillo Interviewed on Policy Issues

PA1106172594 Mexico City Radio ACIR Network in Spanish 1400 GMT 9 Jun 94

[Interview with Ernesto Zedillo, candidate of the Mexican Institutional Revolutionary Party, PRI, by reporters Jose Cardenas and Katia Valentina Buenol; place and date not given; from the "Panorama Newscast"—live or recorded]

[Excerpts] [passage omitted] [Cardenas] Dr. Zedillo, you mentioned that there are 40 million Mexicans and that 17 million of them live in poverty....

[Zedillo, interrupting] That is 14 million and an undetermined amount of other Mexicans, I do not think I would reach the 40 million figure, but there are many. Even if the figure were one, it would be too many.

[Cardenas] In your economic proposal, however, which you presented on Monday to prominent members of your party and businessmen, you talked about a new economic position for sustained growth. But there is no talk of fighting poverty in specific terms. Have you planned to discuss this matter soon?

[Zedillo] It is correct.

[Cardenas] Or is it an omission?

[Zedillo] Absolutely not. In the initial part of my speech, I said I was concentrating on purely economic matters; however, I did say that the country needs a very specific and well-designed strategy to fight poverty. In a few days, I stressed, I will give a speech on social development. In this speech, I will give details on my strategy to fight poverty in our country. I am working on that speech, and I estimate that I will give it in a few days. It is written in this document, and thus, there is no room for doubt; there is no omission. I said one of the country's most severe problems is poverty and that this problem calls for a specific strategy, like the one I will present in a few days.

[Cardenas] Dr. Zedillo, many listeners have been calling since 0600. We announced in advance—as we did with the other candidates—that you were to be our guest today. The people sent us some questions which I am sure will be of interest to you. Perhaps some of them will be answered; unfortunately, there were many calls. But we hope to air as many as possible.

[Buenol] We put them into groups because some of them are repetitious, and it will be easier to handle them this way. Dr. Jose Cultierro mentioned how badly paid doctors are in Mexico. Speaking of the economic proposal, Ruben Aguilar, Casimiro Barajas of Puebla, Miguel Angel Lucero of Puebla, Gilberto Tapia Salgado of Acapulto, Maria Refugio Hernandez of Mexico City, Rafael Mazon of Mexico City, and Mrs. Garcia of the Irrigacion neighborhood coincided in asking: Why should we believe in this economic plan when you designed the current one and it did not work?

[Zedillo] I think that one must check to see whether it worked or not in the light of the magnitude of the problems Mexico had. Let us not forget that our country inherited a big economic crisis from the 1970's. In the early 1980's things became further complicated. Six years ago, our inflation rate was 200 percent, the economy was not growing, but collapsing. Our economic structure was obsolete, and, in the face of this problem, we had to reorganize, improve, and build new bases for the economy. Based on these new bases, we have to begin the stage of economic growth that we are proposing now. It would have been impossible, simply put, like an act of magic, to have been able to overcome, overnight, the problems we inherited for several decades. These were very serious problems, and it would have been impossible to switch to an economy with growth and jobs and no inflation. That simply does not exist in the realm of the possible. We had to reorganize the economy and the country. We have done it, and now we have to take advantage of the fruit of that effort through a congruent strategy. I think the value of this strategy must be taken into consideration because of its internal coherence. I insist that there are evident achievements, but there are also problems that persist. The achievements are obvious to everyone. Six years ago, the government's total debt was 70 percent of the country's production. Now, it is less than one fourth. Six years ago, the inflation rate was 200 percent, and now we have a one-digit inflation rate. Six years ago, we were experiencing a terrible financial crisis that scared away capital from our country and prevented us from growing. Six years ago, unemployment was destroying the country. Now, we are creating jobs, and, although in a very insufficient way, we do have the opportunity to make employment grow. It is a different world, but we are not happy with it. We have to work more to attain more.

[Cardenas] Mr. Zedillo, you are a doctor of economics from one of the most prestigious foreign universities: Yale. You have a degree in economics from the National Polytechnic Institute. You are a man whose abilities in economics is beyond any doubt and your work is well recognized. Your devotion as an economist is unquestionable. You have proven this through your professional career. You are 43 years old. No, you are still 42, you will be 43 in December, that is correct. Undoubtedly, you are an economist; it is your devotion, but are you devoted to being a politician?

[Zedillo] I believe my many years of work with the government can attest to the fact that my devotion is public service. I do not like to describe myself as a technician, a politician, this or that. But I can assure you that ever since I was a child, I had this devotion to public service. I wanted to serve my country. I have done that from positions that sometimes were purely technical and financial. Sometimes, I have had to do that from almost purely political positions, such as being education secretary, which meant heading the largest secretariat in the Mexican Government. I was in the midst of political problems that were very complex. I headed an activity that involved the federalization of education. It meant negotiating with Latin America's largest and most powerful union and the country's governors. I had to handle the federal government's relations with Mexican universities. I had to deal with many political problems, perhaps more than any other state secretary had to deal with. I would say that all that proves that I am very much attracted to public service.

[Cardenas] What is the biggest problem that the Salinas de Gortari administration will bequeath to the next president, which could be you.

[Zedillo] I do not think it is a problem of inheritance from one six-year term to the other. These are problems that exist in the country. The problems that seem more burdensome at a given time are those that get solved first. Six years ago, the most burdensome problem was the macroeconomy. It prevented the government from tackling any other problem. If the macroeconomy problem was not solved, we could not advance in the solution of other problems.

In today's outlook, I have pointed out that Mexico's most important problems are: first, insecurity and injustice afflicting most Mexicans. It is a very grave problem. This is why I am talking about a thorough reform of our justice system. A reform that will include the laws, the Attorney General's Office, and the judicial branch. Another problem is that of unemployment. It is very grave. I have seen it. I have witnessed it throughout the country. There is the problem of the lack of income. This is what a doctor mentioned a few minutes ago. Salaries are insufficient. This is why we need the economy and productivity to grow. We need to make the economic pie bigger so we can all get a bigger piece and thus alleviate our situation.

The other basic problem is poverty. Poverty is enraging because of its grave nature. These are the challenges of the coming year: justice, growth, and poverty. [passage omitted]

[Cardenas] You mentioned a commitment that draws everyone's attention: the creation of 1 million jobs. You made that announcement at the National Auditorium on Monday. You talked about productive jobs, 1 million jobs each year. How have you planned this? How do you think this can be achieved with a recession? How can you create 1 million jobs? This is very costly. How can this be done without affecting the process to control inflation? There is a contraction in foreign investment. There are increasing pressures with regard to the type of exchange of the peso vis-a-vis the dollar. There is also commercial opening, globalization, NAFTA, the pressure on micro, small, and medium industries. How can you, with all this in mind, create 1 million jobs each year?

[Zedillo] The answer was within the question. The economy is practically at a standstill nowadays. Thus, we must not be surprised that there are no more jobs. Simply, the economy is not absorbing more people to work, and, therefore, there is no possibility of improving the situation.

What I am proposing is a strategy to achieve economic growth. Only with economic growth can we have more jobs. How will we attain economic growth? Spurring investment. What does it mean to spur investment? It means the opening of more businesses, more sources of employment in our country or expanding growing firms. The program that I explained to the citizens last week is aimed at reactivating the economy. Its goal is to have sustained growth. What for? To have the 1 million jobs you just mentioned. It is a program that does not contradict what has been done. Supposedly, we will be consolidating the economy's structural changes. It means that we will not lower our guard with regard to inflation. It means that, based on what we have done so far, we must go from a stage where emphasis was placed on stabilization and macroeconomy to a stage where economic growth must be the main concern in economic policy. The key task is the creation of jobs. If six years ago our need was to control inflation, now the emphasis must be placed on the creation and multiplication of jobs. This is the reason for the ten specific points that I announced to all. [passage omitted]

[Buenol] Dr. Zedillo, one of the serious problems in our country is excessive centralism. Mr. Francisco Torres of Saltillo, Coahuila, wants to ask you how you are going to conduct an effective decentralization that can contribute to the economic reactivation of the various states if you reach the presidency.

[Zedillo] We must do it by carefully reviewing our country's entire federal system. There is a huge concentration of responsibilities, resources, and authority in the federal government. This brings about inefficiency; it limits the capacity of the federal government itself, and it keeps the authorities removed from the citizens. I am proposing an effective decentralization of the country. I am not only speaking of [word indistinct]. I had the responsibility at the Public Education Secretariat to head the biggest decentralization process of our country and perhaps of all countries in the world. As public education secretary, I turned over three-fourths of the secretariat to the state governments; I turned over 100,000 schools, 700,000 employees, including teachers and support personnel. I turned over a large portion of the educational budget and 13.5 million students. If we did it in the education sector, we can do it in other fields too. We have to give them the authority and the resources because we believe that the government that is closest to the citizens has the greatest capacity to respond to the citizens.

[Cardenas] The Teachers' Union complained about the decentralization process because the union lost the control it used to have. We have even talked about it with the union leader. If there is criticism to be made about your administration as education secretary, it is precisely that one. You obviously....

[Zedillo, interrupting] If you allow me, that is not the case. Decentralization was done based on a national agreement, which was signed by the Teachers' Union itself. The union played a very special and positive role, I would say the leading role, in drafting the agreement. Without their participation, it would not have been possible for us to carry out the decentralization of the education sector. The Teachers' Union has been demanding the fulfillment of each and every single one of the points of the national agreement, and they are right. They accepted federalization, and they are part of federalization. None of their union rights were adversely affected; the union's national status was not adversely affected. I would have never accepted to participate in a government action in which labor unions were adversely affected. I am a man with labor union convictions. What the labor union has been demanding is the fulfillment of the specific points of the agreement. [passage omitted]

Nicaragua

Acting Foreign Minister Urges Cuba's Return to OAS

PA1406204394 Paris AFP in Spanish 1807 GMT 14 Jun 94

[Text] Managua, 14 Jun (AFP)—The Nicaraguan Government has endorsed Cuba's returning to the OAS and it rejected the U.S.-imposed economic and political embargo against the island, acting Foreign Minister Jose Pallais stated at a meeting with the international media on Monday evening.

Pallais said that "we would be satisfied if Cuba returned" to the OAS, from which it was expelled almost three decades ago. This topic will be considered along with the main agenda of the Fourth Ibero-American summit that opened Tuesday in Cartagena de Indias, Colombia.

The commercial embargo "is unilateral by the United States, and we do not believe in such measures," Pallais stated. He noted, however, that Cuba has still "not fulfilled the prerequisites" to form part of the so-called democratic countries, because it has not implemented "economic reforms and political openness."

During the past decade the regime of Fidel Castro openly supported the Sandinists in their war against the Contras, who were armed and financed by the United States.

Violeta de Chamorro's Government, which replaced the Sandinists in 1990, maintains diplomatic relations with Cuba, although these relations have been quite reduced compared to relations during the Sandinist period.

Lacayo's Position on Property Rights Criticized

94CA0116A Managua LA TRIBUNA in Spanish 10 May 94 p 6A

[Commentary by Alejandro Bolanos Davis]

[Text] Minister Antonio Lacayo appeared on Carlos Briceno's program, "Why Nicaragua Matters to Us." As he is a public figure subject to criticism, and as he openly expressed views affecting the nation and individuals, I will now express my opinion of his behavior.

In listening to Minister Lacayo it was obvious that his unconscious betrayed him several times. On this occasion I will mention only two such moments.

In answering a question about the problem of property rights, Lacayo said that "property belongs to the one who has it" and added: "What can be done is confisc...(then he corrected himself) compensate..."people who have been unjustly affected. Obviously, the truth came out unintentionally: that his government is **confiscating** from many people unjustly hurt by the Sandinist regime in favor of the Sandinists.

He also mentioned being struck on his "two faces" instead of saying his "two cheeks." Here another great truth also escaped from him unintentionally: the autocratic face he displays inside the government and the face of a democrat that he unsuccessfully tries to show in public.

In this program we could see what the minister is and what he is not. We again saw the arrogant and defensive man who intellectualizes his contradiction-laden answers. We saw him try to justify his mistakes without actually admitting them and without expressing any regret. We heard him say there was progress when what there is is unemployment and extreme poverty, and that the violators of the government program (the "reactionaries") were the members of UNO [National Opposition Union] and not Lacayo himself. We heard him say that he relies more on what people like Jimmy Carter, the "chinos" [not further specified], and international bankers say than on what his own Nicaraguan compatriots say. He said Violeta Chamorro is in charge, but he is the one who makes the decisions, who lives in close contact with the FSLN [Sandinist National Liberation Front], and that he makes concessions to the FSLN so "governability will be feasible," but this is not a co-government. He said he wants democracy, but will be happy to keep the totalitarian Sandinist Constitution until 1997, and he repeated many other contradictions as well. It is very easy for the subconscious to betray a person full of contradictions and manipulation. That is what happened to Minister Lacayo on Carlos Briceno's program.

Antonio Lacayo is trying to construct a false political "center" based on erroneous situational ethics. He is trying to concoct an agreement between kidnappers and their hostages, between executioners and prisoners, between looters and the looted, as if nothing had happened. He wants to impose a reconciliation with injustice. He wants people to pardon their aggressors without the aggressors repenting for their crimes and without returning what was stolen. And to top it all, he wants the aggressor to retain a license to continue committing crimes.

This "center morality" which Lacayo advocates is downright immorality. Minister Lacayo cannot be unaware that there are basic laws of life or universal principles that operate independently of the individual. Everyone has these laws and/or principles imprinted on his conscience. This internal voice tells us if what we are doing at any given moment is right or wrong.

The minister should try to listen to the voice of his conscience. He will have to pause for a moment so he can concentrate on it, and reflect and meditate on what it is saying to him. One impediment he might have is the insane level of activity that has overwhelmed him, along with his pro-Sandinist political and cultural conditioning. These obstacles deaden his sensitivity to heed the voice of his conscience and so to comprehend how out of step he is with life's basic laws.

I congratulate Carlos Briceno for being able to put his finger on the sore spot and for his skill as an interviewer.

Argentina

Governors Launch 'Offensive' on Economic Policies

PY1406185594 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2044 GMT 13 Jun 94

[Text] Buenos Aires, 13 Jun (NA)—This week, Economy Minister Domingo Cavallo will face a new offensive by the governors, who are demanding changes in the system of federal income sharing and object to the import of subsidized agricultural products and the transfer of provincial pension funds to the nation.

These issues, which concern ruling party governors as much as opposition governors, will be analyzed in two meetings in Santa Fe and Buenos Aires on 14 and 16 June respectively.

Santa Fe will be the location for a meeting of the so-called "club of friendly governors," which was born last week when Entre Rios Governor Carlos Moine convened a meeting with his counterparts at the Constituent Assembly to discuss the national economic plan and its repercussions on the regional economies. Santa Fe Governor Carlos Reutemann abruptly decided to broaden the club's coverage and invited all governors without exception to continue discussing their problems.

One of the governors' proposals will be difficult for Cavallo's team to swallow, as the provincial executive branches want all taxes collected in the nation entered into the revenue coffer and then want an equitable share of it, that is, 50 percent for the central administration and 50 percent for the provinces.

Reutemann trusts that all governors, except Eduardo Angeloz of Cordoba, will come to the meeting. Rodolfo Gabrielli (Mendoza), Horacio Massaccesi (Rio Negro), Carlos Maestro (Chubut), Jose Estabillo (Tierra del Fuego), and Juan Carlos Rojas (San Juan) have already confirmed their participation.

Besides the above-mentioned revenue sharing percentages, the governors of provinces bordering neighboring countries, such as Mendoza, Entre Rios, and Rio Negro, among others, continue to be concerned about the consequences of imported, subsidized agricultural products to local producers.

On 16 June, Cavallo will participate in the third meeting between national government officials and northern provincial governors to try to convince governors of the benefits of transferring their pension funds to the nation.

During the first meeting, 15 days ago, there was no agreement despite the efforts of Cavallo, presidential Secretary General Eduardo Bauza, and Social Security Secretary Walter Schulthess.

The second meeting, held last week, was purely technical. On that occasion the provincial economy and finance ministers met with Schulthess. The ministers also disagreed with Schulthess, and the negative positions started to become official.

The provinces of Entre Rios, Formosa, and Misiones have already notified the nation that they will not transfer their pension funds. According to Schulthess, Cordoba has already refused; the five Patagonian provinces, where pension funds so far maintain surpluses, will also refuse to transfer their pension funds.

On 16 June, the central government will use heavy ammunition to try to convince the northern provinces' governors. They will meet once more with Bauza and Cavallo in the Buenos Aires offices of the Federal Investments Council (CFI).

Arrest of Peruvian 'Terrorist' Confirmed

PY1406183194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2240 GMT 11 Jun 94

[Text] Buenos Aires, 11 Jun (NA)—Today, Interior Minister Carlos Ruckauf linked the alleged Shining Path [SL] member who was arrested in Tucuman with the social outbursts that occurred recently in the interior of the country, indicating that those who escaped when the Peruvian was captured "have been identified and arrest warrants have been issued."

Ruckauf confirmed that the alleged member of the Peruvian Maoist SL organization is under arrest. He has been identified as Jorge Diaz Reategui. The minister added that those who were with him at the time of his arrest "have been seen wherever social outbursts have occurred."

Reategui's arrest took place at a hotel in the poor district of El Bajo, near the Tucuman city bus terminal. At the time, he was meeting with other alleged guerrillas, who managed to escape.

The interior minister indicated that those who were with Reategui "have been seen in other parts of the country, participating in public outbursts." He emphasized: "They have been identified and arrest warrants have been issued."

Reategui was questioned during the afternoon of 10 June by Judge Ricardo Maturana, who heads Federal Court No. 2 of the city of Tucuman. Details of the questioning were not revealed.

Police sources have confirmed that special security measures have been implemented regarding Reategui to prevent any rescue or escape attempt by his comrades in arms.

Authorities are concerned because Tucuman Province, where the terrorist was arrested, has been identified as a refugee camp for SL members who clandestinely cross the border.

The Maoist guerrillas, infamous for their violent actions, presumably install themselves in Tucuman Province to train Peruvian and Argentine militants who support their ideology.

Bolivia

Capitalization of State Companies Progresses

94SM0357A La Paz HOY in Spanish 9 May 94 p 13

[Report by German Velasquez Clavijo]

[Text] Three months after the Capitalization Law was passed, the process is moving along nicely, according to the government. Apparently, judging by reports from the top officials of the executive branch, the sectoral laws governing the National Telecommunications Enterprise (Entel), the National Electric Power Enterprise (Ende), the National Smelting Enterprise (Enaf), the National Railway Enterprise (Enfe), and Bolivian Government Oil Deposits (YPFB) are in the process of being revised, and investors have shown great interest.

The national government set a deadline of 18 months for this process to be completed. By the end of that period, state enterprises should have been converted into mixed corporations, their book value should have been appraised at the financial and market levels, regulatory bodies should have been formed, and an international call for bids should have been issued for the purchase of shares.

Legal Progress

The framework law on capitalization has been enacted, but the legal instrument of the regulatory bodies responsible for monitoring the provision of communication, electricity, fuel, and transportation services has not been completed yet. Moreover, the strategies for obtaining more fresh money have not yet been finalized.

The sectoral laws for the regulation and organization of markets, which will set policy on concessions, authorizations, rates, and fees for the five companies, are being analyzed and evaluated. The president and his cabinet will be approving them any day now, and then they will be sent to Congress.

In short, the procedures for carrying out the capitalization process have not yet been defined, and therefore it would be premature to take a stand on the viability of the process or its pros and cons.

It is important to know in advance what regulatory frameworks will govern the different sectors, what criteria will be followed for selecting strategic partners, what strategy will be followed for each company, and what costs and benefits the process will entail.

So far, however, the first steps in the process have already been taken by the principal executives of the six enterprises to be capitalized: Bolivian Government Oil Deposits (YPFB), the National Electric Power Enterprise (Ende), the National Telecommunications Enterprise (Entel), the Metallurgical Enterprise of Vinto (formerly Enaf), the National Railway Enterprise (Enfe), and the Lloyd Bolivian Airline (LAB).

YPFB

Any day now, the employees of the state petroleum enterprise will become the first shareholders in the enterprise, once its legal status is officially converted to that of mixed corporation. Its bylaws are now being revised.

The Hydrocarbon Law is also under consideration. It is currently in the hands of President Gonzalo Sanchez de Lozada, who is expected to approve it and send it on to Congress.

According to Capitalization Minister Alfonso Revollo, the new legal instrument will include a tax system for the hydrocarbons sector (an excise tax on gasoline) and other measures aimed at attracting investors.

Value Declined

Sources say off the record that the value of YPFB has dropped from $1.5 billion to less than $1 billion. The president of the enterprise, Mauricio Gonzales, has urged caution, however, noting that it is premature to discuss specific amounts because higher offers may be made on the market.

It is not known officially what YPFB's book value is; all that is available is estimates from recent audits. The final results will be released after the consulting firm completes the appraisal of assets.

Principal Problem

One of the problems that will beset the YPFB capitalization process is its heavy debt. The state petroleum enterprise owes more than 1.4 billion bolivianos, equivalent to $300 million, primarily because of the agreement with Argentina to "start from scratch."

This situation may be resolved by the replacement of the TGN [expansion unknown], but Minister Revollo stated that first the macroeconomic impact must be studied, or failing that, liabilities must be included in the process.

National Electric Power Enterprise

The capitalization of the National Electric Power Enterprise (Ende) may allow for the sale of energy to the neighboring countries of Argentina, Chile, and Peru, said President Sanchez de Lozada. For this reason, an infusion of fresh investment funds is necessary.

He stated that Bolivia is now the country with the smallest electricity production, 700 megawatts. An effort will be made to reverse this situation with incentives and foreign investment.

To carry out this task, the electricity market must be deregulated and Ende must be regarded as just one more company competing with others in power generation and distribution. To achieve that end, experts at the Energy Secretariat have begun to revise the Electricity Code in consultation with experts from the World Bank.

Ende Value Unknown

The minister of capitalization indicated that no one yet knows Ende's book value, but this month the figures will be released after an external audit is performed. He explained that it is a profitable and well-run enterprise, which makes it more attractive on the investment market.

Metallurgical Enterprise of Vinto

In the mining sector, capitalization will take place in the smelting company of Vinto (formerly Enaf), since this is the only company in the sector that is still in production and making a profit. That fact will arouse the interest of the private sector.

This month, company executives will hire a consulting firm to appraise the firm and evaluate its situation. In addition, all the instruments necessary to regulate the process are now being drawn up.

Company Value

The latest appraisal of the Metallurgical Enterprise of Vinto indicates that its value is $50 million. This figure may be high, however, considering that Minsur [expansion not given] invested $17.5 million installing its own smelting plant, with a production capacity of 13,000 fine tons of tin, 5,500 tons less than that of the national smelting enterprise.

LAB

The capitalization of the country's first airline is now under way. Top executives are reorganizing and restructuring the firm to make it more attractive to the private sector.

Analysts say that under current conditions, the company could only last two more years. Thus, a capital infusion is essential, especially considering that it lost $12 million in the last fiscal year.

Despite these circumstances, LAB executives say the airline has great potential for capitalization. Most airlines in the world are going through crises, and the Bolivian company is no exception.

Entel

The government considers the capitalization of Entel of vital importance, so it has invited a dozen foreign business executives representing Korean Telecom, AT&T (of the United States), GTE Corporation, France Telecom, Titan Corp., and Telefonica de Espana to become familiar with the process and with the company's potential.

In addition, the Sectoral Law on Communications, the Law on Regulatory and Arbitration Bodies, and amendments to the tax provisions of Law 843 are now being drafted.

Book Value

According to accounting records from previous fiscal years, Entel should sell for $141 million to $200 million, but the consulting firm will release the official information after appraising the company's assets and liabilities.

National Railway Enterprise

The National Railway Enterprise (Enfe) has already begun the capitalization process in an effort to strengthen the transportation system and provide more efficient service to the public, in hauling freight, and in import and export activities.

It is also in the process of reorganizing its assets and liabilities and studying the Railroad Law that will regulate its activities with a view to making the railroad company more attractive to foreign investors.

Excess Workers a Problem

One of the problems that will hinder capitalization is the large number of superfluous personnel. In 1985, there were 7,199 employees, but layoffs have brought that figure down to about 4,000.

This total is not ideal, said Revollo, because the company cannot support that many employees. He explained that this matter will be negotiated during the capitalization process.

CONDEPA Senator on Labor, Reforms

94SM0357B La Paz PRESENCIA in Spanish 1 May 94 p 5

[Interview with Conscience of the Fatherland Senator Andres Soliz Rada; place and date not given]

[Text] In the face of the gloomy prospects that await the labor sector, Andres Soliz Rada, journalist, political analyst, senator, and secretary of doctrine and training for Conscience of the Fatherland (CONDEPA), predicts that the Capitalization Law "will be at loggerheads" with the Popular Participation Law because the former brings the country back to the days of the "tin barons" while the latter is "unquestionably revolutionary." One eliminates sovereignty and the other "allows the people to set their own course."

[PRESENCIA] How do you see the future of the Bolivian labor movement?

[Soliz] Organized labor is in crisis all over the world. The globalization of the economy, the implementation of

neoliberal policies, the freedom to hire, robots, automation, and scientific and technological advances have resulted in the loss of tens of millions of productive jobs, even in highly industrialized countries. These factors have also led to hypertrophic growth in the services sector and the informal economy.

The result of the current social equation is disturbing: "The more modernity, the less employment." All indications are that wage earners in our time belong to the last generation of workers who have benefited from job security, social security, compensation, and paid vacations. Neoliberalism has no heart. Either you accept the employer's conditions or you have no job. There are countless legions of unemployed workers, including professionals, who are waiting to fill what few job openings there are. This cataclysm has had perverse effects on the Bolivian labor movement, especially since Decree 21060 of 29 August 1985, which shifted the axis of the national economy from hydrocarbons, mining, and the still weak nontraditional exports to the various aspects of drug trafficking.

[PRESENCIA] What does drug trafficking have to do with Decree 21060?

[Soliz] Although that criminal activity has obvious roots in the Banzer and Garcia Meza dictatorships, 21060 promoted the acceptance of bank deposits "without tracing their origin." The brains behind the operation, Jeffery Sachs, has "narcotized" the Bolivian economy, with all the imaginable consequences, ranging from the movement of former miners to the Chapare, to the infiltration of cocaine proceeds into political structures. That was the origin of scandals such as those of Huanchaca (involving the Revolutionary Nationalist Movement), the narcovideos (involving Nationalist Democratic Action), and the narcophotos (involving the Movement of the Revolutionary Left). The ensuing commotion obviously shook the foundations of the Bolivian Labor Federation (COB). Only now have its leaders begun to realize that their survival depends on their ability to bring together emerging sectors, such as trade associations, informal workers, hometowns, drivers, and craftsmen, without neglecting the interests of workers who still depend on a regular paycheck.

In short, the future of the COB depends on its ability to expand its sphere of influence, on the one hand, and to raise the banner of national defense, on the other hand, so that the "Tupacamarization" of Bolivia can be contained.

[PRESENCIA] What are you referring to?

[Soliz] To the sinister capitalization law governing former state enterprises that have now been turned into mixed corporations. It will allow such entities as Bolivian Government Oil Deposits (YPFB), the National Smelting Enterprise (Enaf), the National Telecommunications Enterprise (Entel), and the National Railway Enterprise (Enfe) to be captured and "vampirized" by foreign capital. In the name of modernity, Bolivia is returning to the days of Patino, Hoschild, and Aramayo, who sucked the wealth out of the country and put it in foreign banks. The neoliberal doctrine is supposed to solve the problems of the third millennium with postulates from the 18th and 19th centuries: those of Adam Smith and Robert Malthus.

YPFB, the Mining Corporation of Bolivia (COMIBOL), Entel, Enfe, Enaf, and Ende will be administered by transnationals. Our weak symphony orchestra will be transformed into a musical group in which each member will beat the drum at his own rhythm. Entel's foreign board of directors will decide whether it is worthwhile to install electricity facilities in Provinces of La Paz, Pando, Tarija, or Santa Cruz. Its decision will depend on a calculation of immediate profits, not on national interest. If the parameters of the World Bank or the Inter-American Development Bank (IDB) had been followed, Bolivia would not have built its Cochabamba-Santa Cruz highway. YPFB's foreign board of directors may decide to sell our gas to Brazil through Argentine pipelines, or to sell it to Chile over the objections of the Foreign Ministry.

In short, the self-determination that we won with the revolution of April 1952 will have been forfeited for the benefit of the new foreign "barons" of the former state enterprises.

[PRESENCIA] What implications does the Popular Participation Law have for the labor movement?

[Soliz] It is a chink in the system's armor that the popular movement should take advantage of. From a conceptual point of view, this law has an unquestionably revolutionary content. By recognizing the legal status of *ayllus* [tribes], *tentas*, captaincies, *cabildos* [town councils], and farmworkers' unions, it has taken a tremendous step toward eliminating one of the greatest injustices perpetrated over the five centuries of external and internal colonialism. This legal instrument is, at the same time, the antithesis of the Capitalization Law. The former tends to allow the people, joined together in municipal jurisdictions and neighborhood boards, to set their own course and their own priorities; the latter eliminates sovereignty and allows the exploitation of natural resources to benefit foreign interests, as has been occurring for the last 500 years. The former seeks to encourage citizens to plan for their future; the latter allows huge hypodermic needles to suck the lifeblood out of the country, with no benefit for Bolivians, as has occurred with silver, quinine, rubber, tin, and petroleum. The interests created by the two laws will be at loggerheads with each other over the next few years. The Capitalization Law is part of the New World Order that seeks to destroy the countries of the Third World. The Popular Participation Law can be an instrument for defending the fatherland, limiting efforts to shrink even further our sparse population, repopulating the provinces, and eliminating corruption. Vice President Victor Hugo Cardenas, to the extent that he does not become more of a tool of the neoliberals, and Deputy Remedios Loza are the

symbols of Popular Participation. Fernando Illanes and other plutocrats are the paradigms of the Capitalization Law. In that context, the COB must stand firm for the Popular Participation Law, fight to eliminate its negative aspects, and extend its scope so that it can serve as a point of departure for the COB and other political organizations in the popular sphere, such as CONDEPA, to move forward in the construction of the Productive Revolution, the Moral Revolution, and Participative Democracy.

[PRESENCIA] How do you explain these concepts?

[Soliz] Bolivia cannot allow its future to depend on food donations or on the precarious profits of drug trafficking; it must achieve self-sufficiency in food. This was achieved in Tiwanacu, in the Inca Empire, and in the Jesuit missions. It was also part of the Bohan Plan, proposed by the United States to Bolivia in 1942, during World War II, for the purpose of assuring food supplies.

If we Bolivians do not carry out our own moral revolution, this postulate will become a pretext for foreign intervention and domination. The superstate installed by the DEA [Drug Enforcement Administration] needs no further comment. I would like to note, however, that along the lines of our moral revolution, I have submitted two bills that the parliamentary oligarchy refuses to discuss: The Fortune Investigation Law and the Law Against Impunity. The latter advocates the elimination of the statute of limitations on crimes against the state. Under the SAFCO [Administrative and Financial System for Government Control] Law, the statute of limitations is now 10 years. Given the current legal framework, the deals made as a result of the Capitalization Law will soon be immune from any scrutiny. The Popular Participation Law was proposed by CONDEPA, as stated in "The Book of the Endogenous Model," which we published last year. In that publication we also planned the conversion of the current inefficient, verbose, 18th-century parliament into an assembly of producers made up of all the economic and cultural sectors in the country.

[PRESENCIA] What does the current social protest stand for?

[Soliz] The people organized and turned into a vanguard by the COB have responded to attempts to demobilize them by staging hunger strikes, for the purpose of reducing hunger. People have risked their lives; they have faced death and repression to reduce the "terrible dependency" recognized by the president of the Republic himself. The active involvement of Aymaras, Quechuas, Guaranis, Amazon ethnic groups, and Mestizos in national affairs is the only possibility we have to avoid swelling the ranks of the slaves of the 21st century. That is why we are passionately in love with interculturalness and its incipient possibilities. This diversity is not an obstacle, but a creative component in a Latin America that has been united defensively so that it will not be excluded from the unknown world that is approaching.

Human Rights Group Describes Torture Methods

94SM0358A La Paz PRESENCIA in Spanish 1 May 94 p 7

[Unattributed article: "Tortures Being Modernized Along With Democracy"]

[Text] In Bolivia there are 21 types of torture and three phases of altered behavior. The same roster of torture personnel serves dictators and democrats. Extraction of confessions is aimed at incriminating journalists and politicians.

According to the Political Constitution of the State, the democratic system protects the physical and psychic integrity of persons. According to reports in the hands of the Chamber of Deputies Committee on Human Rights, neither democracy nor the various other types of government can prevent the existence of a quasi-autonomous organization dedicated to the corporal and moral annihilation of those who fall into their hands charged with terrorism or subversion of public order.

But according to Deputy Ramiro Barrenechea, a member of the Human Rights Committee, the aforementioned organization shows a propensity for "modernizing" through more sophisticated methods, with participation in them ranging from physicians who determine the extent to which the detainee is likely to withstand the tortures, to psychologists who separate the false information from the truth after hours of uninterrupted interrogation on a single point.

There may be more, but, in the investigation being conducted by the committee, Barrenechea states that it has detected the existence of 21 types of torture and three phases of altered behavior of the persons, aimed at extracting handwritten self-incriminating statements, or statements that involve other persons in specified acts.

"The tortures identified by the committee include beatings, electric prods, the 'submarine,' 'bell,' and 'pig' treatments, special blows to the genitals, and raping of men and women," he said. He added that violence of the sexual type is the most frequently used.

Until Turned Into Limp Flesh

Based on data provided by testimonies, Barrenechea explained that the techniques designed to extract confessions involve three evaluation phases. The first, aimed at uncommunicativeness, consists of unlimited physical violence and threats of violence against members of the victim's family, and it is conducted by Bolivian torturers.

In the second phase, the system of tortures is refined and is conducted with greater discernment and sophistication, because it is done by foreign experts. In the third phase, the intensity of the tortures is diminished, but techniques are applied that are designed to break routines and create situations of mental derangement.

One of the torturers assumes a paternal role, pretends identification with the victim's problem, and persuades the victim to sign anything. During the persuasion interval, other methods are also used, such as preventing sleep for 17 days, or keeping the victim seated and tied to a chair for five consecutive days, without permitting movement even for tending to physiological needs, all the while pressing the victim with repeated questions.

"Those acting the role of psychologists take part in this phase, asking the same question or others some 50 to 500 times to detect associations and verify whether what is being said by the victim, converted now into a lump of limp flesh, is the truth or a lie," said Barrenechea, adding: "Pressure is also applied scientifically, and we are trying to determine who are the doctors responsible for prescribing the dosages of torture and pressures the victim is able to take."

Barrenechea stated that after such treatment, the victim's sole desire is to die and get it all over with rather than continue living in constant dread, and that this state is used to get the victim to sign a confession and incriminate other persons.

"We have found a constant in all of these interrogations: The victim is handed a list of names of persons that includes those of many journalists and politicians," he said, adding that the victims sign what they are told to sign, and even incriminate themselves, in order to end the tortures, despite the fact that Bolivian law does not accept such documents as valid.

"The committee is now also investigating why the judges are not accepting the evidence being presented by detainees attesting to their having been compelled to incriminate themselves and others by torture," he said.

A Power That Vies With That of Government and State

Barrenechea stated that the personnel conducting the tortures are "professionals," and that they have not been removed since the era of dictatorships, and even previous to that, because they "include persons from the first MNR [Nationalist Revolutionary Movement] period of rule. These are persons who have worked with the MNR's system of political control, the dictatorships of Banzer and Garcia Meza, the Patriotic Agreement government, and the present government. They are apparently irremovable persons with international specialization," he said.

The existence of that apparatus specializing in repression, said Barrenechea, is constant, regardless of political regimes, and has become a quasi-autonomous structure beyond the control of even the executive branch of the government.

"This is why the committee is working to reconcile the state with civil society, and to prevent the committing of these utterly savage acts in the name of the law," he said.

Terrorist Unions

The entire description mentioned above is drawn from the testimony heard by the Committee on Human Rights from 36 persons who were detained for acts of terrorism. They are members of subversive groups such as Tupac Katari Guerrilla Army [EGTK], "Zarate Willka," the Nestor Paz Zamora Command [CNPZ], and the Army of National Liberation [ELN], who appeared before the committee last week in compliance with a summons issued by the Chamber of Deputies.

"This is part of an investigation of 50 persons charged with acts of terrorism, 10 of whom are in Chonchocoro, 11 in San Pedro, five in Posta, five in the Women's Correction Center, and four in prison in Cochabamba. Ten other persons are fugitives at large, one is a 'missing person,' and four were released after being detained."

Upon completing its evaluation, which will address elements of what is stated in the above paragraphs, the committee will issue a report, summon torturers, and police and judicial officials who permitted the violation of human and constitutional rights, and inspect the houses of detention.

Police Chief on New Image, Modernization

94SM0358B Cochabamba LOS TIEMPOS in Spanish 3 May 94 p A6

[Interview with Chief of Police General Luis Rocha Martinez: "Bolivian Police Wants To Project New Image"; in La Paz, date not given]

[Text] La Paz 2 (LOS TIEMPOS)—As he condemned views critical of the Ministry of Interior and General Staff of the Bolivian Police, expressed by several "self-styled institutionalist police chiefs," General Luis Rocha Martinez stated in an interview granted to LOS TIEMPOS in La Paz, that the institution has begun carrying out "irreversible actions" aimed at projecting a new image to the country's population.

Expressing "profound concern that illegal interests have embedded themselves in the institution, with obscure aims," General Rocha spoke of several modernization projects that are under way in La Paz, Cochabamba, Santa Cruz, and other districts of the country, and "that can be expected to come to fruition soon."

The police chief referred to the "plans, programs, and strategies" that have been drawn up by his staff in the short time he has been in command, designed to modernize the Bolivian police. Following is the dialogue held with General Rocha Martinez:

[LOS TIEMPOS] General Luis Rocha, the modernization plans announced by the police have been so severely criticized that it is now said that these good intentions have been postponed indefinitely. Is there any truth to what is being said?

[Rocha] No. Very much on the contrary, my staff has taken definite steps in recent months toward improving the police institution's infrastructure, academic training, and modernizing the institution's equipment.

The Bolivian police's current change of attitude exists and is permanent. The steps it has taken in its pursuit of renewal within the institution include the creating of an Honor Tribunal made up of former commanding generals of the police; the purchase of equipment to provide improved security services to the public; and the drawing up of plans to improve qualitatively the carrying out of their assigned tasks by the institution's future officers.

[LOS TIEMPOS] Just what are the improvements to which you refer?

[Rocha] For example, we have accelerated the work on remodeling the police units in the city of La Paz and Cochabamba. Evidence of this is the very recent remittance of approximately 40,000 bolivianos to the city of Cochabamba's Departmental Command, enabling it to proceed with the remodeling of what were once the criminology offices and are soon to be the sections of the Judicial Technical Police [PTJ].

The little that is available to the institution to improve its means of providing service to the Bolivian population is being put to use. As part of these plans, legally established businesses in Bolivia have been invited to bid on supplying typewriters and new office equipment for the offices of the PTJ. During the first phase, these PTJ offices will operate in La Paz, Cochabamba, and Santa Cruz.

With respect to its improvements program, the institution is currently awaiting the release of the Bolivian police budget funds that were approved this year by the government, so as to issue further calls for bids on the supplying of police reconnaissance cars, modern vehicles to augment our pool of radio patrol cars, and motorcycles for use by the Citizens Assistance and Cooperation Patrol [PAC] in La Paz, Cochabamba, and Santa Cruz.

[LOS TIEMPOS] Will the PAC operate only in La Paz, Cochabamba, and Santa Cruz?

[Rocha] No. The plan will be implemented throughout Bolivia. Specific phases of the program are being drawn up for this purpose. In this respect, we are planning an initial purchase of 120 motorcycles for the three departments of the country.

Upon completion of these projects along the central axis, the program will be extended to Oruro, Sucre, and Potosi, and in a third phase to the departments of Tarija, Beni, and Pando.

[LOS TIEMPOS] To what other areas has your staff assigned a modernization priority?

[Rocha] My staff has also accorded attention to the police training system. Over the past few weeks we have entered a new period of extended police training.

Under this program, substantial transformations are under way, beginning with the National Police Academy in La Paz, the Officers Post-Graduate Institute, the Noncommissioned Officers Training School, and the Basic Training Schools.

After many years, competitive examinations have been opened to women. Women are a very real necessity especially in police units connected with the PTJ [Judicial Technical Police], and the narcotics and other services that are part of the institution. This year, we are going to begin by increasing the female police component by 50 persons. The component will operate in parallel with the Police Basic Training School.

Thus, and as borne out by these general examples I have cited, the process of modernization and institutional change within the Bolivian police is well under way.

The institution fully intends to improve its image qualitatively in the minds of the citizens. It is to this end that we are implementing a program of reequipping the police with new reconnaissance cars, radio patrol cars, and ambulances to provide emergency assistance to the citizens.

Concurrently, we are redistributing our institution's best police personnel—personnel who have been fully trained, including training in Europe as well—to more effectively perform our task of serving the Bolivian people.

Brazil

Lula Discusses Jobs Program, Budget Allocations

PY1406123894 Sao Paulo AGENCIA ESTADO in Portuguese 2000 GMT 13 Jun 94

[Text] Sao Paulo, 13 Jun (AE)—Presidential candidate Luis Inacio Lula da Silva (PT) [Workers Party] today said that if he is elected president he could allocate 10 percent of the federal budget to his jobs program. He did not say how he would be able to do this, as most of the budget funds are allocated to expenditures contemplated in laws. "The budget funds have not been allocated, particularly as the budget has not even been approved. This is a shame. It should have been approved in December. It is a shame to see that the government has no power, not even to approve the budget," he said, changing the subject. This morning Lula recorded the program for small businessmen linked to Sebrae [Service for Support to Small and Micro Firms], which will be broadcast by TV Executive in 28 auditoriums in the state capitals.

According to Lula, it is possible to create the 8 million jobs envisioned in his program by channeling to this goal resources that are currently "being thrown away." In Lula's opinion the federal government has money, and only lacks the political will to use it well. According to him, the public funds required for the jobs will be withdrawn from funds such as the FGTS [Severance Pay Fund] and those contemplated by the Constitution, such as official banks and

pension funds. Lula does not believe that the government has no money for investment. "Government officials have little creativity. With a little more creativity, resourcefulness, and simplicity there would be a possibility to do more with the same money," he said, mentioning Ciacs [Integrated Centers for Assistance to Children]. "If there are no funds to do things such as Ciacs, I will build meeting places and ask the Church and the labor unions to lend their facilities for reading and writing classes."

Lula discredited the Vox Populi Institute, which reported on 12 June the results of a poll indicating that support for him had decreased from 41 percent to 36 percent. "There are other institutes with more credibility. This one used to serve Collor, and met with Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party) on his campaign." Lula attacked the PSDB candidate, and said that the economic program had caused losses to the workers. He said that even after the new currency is implemented the workers will continue without purchasing power. He asserted that the PT is not negotiating any agreement with former President Jose Sarney and Senator Pedro Simon, both from the PMDB [Brazilian Democratic Movement Party]. "There is no possibility of reaching an agreement with Sarney. That was made up," he said. He added that he would like to talk to Simon, because he likes him. "But he is participating in the electoral campaign of a candidate who is disputing with ours the governorship of Rio Grande do Sul State," he said.

Lula May Wear Bulletproof Vest in Public

PY1406164894 Sao Paulo AGENCIA ESTADO in Portuguese 1931 GMT 11 Jun 94

[Text] Porto Alegre, 11 Jun (AE)—PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva has admitted that he might wear a bulletproof vest while in public. Lula confirmed this possibility on Saturday afternoon in Esteio, a town in Greater Porto Alegre, where he attended a barbecue with PT followers and candidates.

Lula will wear the vest only "under special circumstances," and depending on the place. He made it clear that he would like wearing that kind of protection. "Yet this does not depend only on the candidate," he said. Concern about the candidates' security increased after the murder of Mexico's PRI [Institutional Revolutionary Party] candidate Luis Colosio, who had been leading in the preference polls. Today Lula preferred to praise the protection he has received from the Federal Police and the military police in each state. "The minimum that each state is expected to do is to preserve the right of expression," he said.

In Vitoria (Espirito Santo) last Wednesday, a man carrying a dagger was apprehended near Lula's rostrum. Lula's private secretary Jose Carlos Spinosa said that "the police stripped him of his dagger and let him go." There were no indications that he had intended to use the dagger against Lula, but the episode served to alert the candidate's guards. "We are taking precautionary measures," Spinosa said, but did not admit that the bulletproof vest was one of those measures. Unlike in 1989, the PT this year requested the protection of the Federal Police and of the state civilian and military police to guard the candidate's physical well-being. This is guaranteed by the law. During Lula's campaign in Greater Porto Alegre, he was accompanied by two federal policemen and two military brigade vehicles.

Funds for Repaying Foreign Debt Moved To Finance Elections

PY1406033094 Rio de Janeiro O GLOBO in Portuguese 10 Jun 94 p 4

[Text] Brasilia—The government will use approximately $160 million from the funds allocated for payment of the foreign debt to supply the Superior Electoral Court [TSE] with the funds needed to pay election expenses. The agreement was made yesterday by Planning Minister Beni Veras, PFL [Liberal Front Party] senator for Paraiba Raymundo Lyra—the president of the Budget Committee of Congress—and TSE President Sepulveda Pertence. The government chose this solution because the $160 million that was to have been used for repaying the debt can be resupplied in August, once the budget bill has been voted on.

"If it needs the funds, the government can submit a message to Congress asking for inclusion of a supplemental credit in the budget. The budget will have been voted on by August, and there will be no problem," Lyra said.

Registration Period Ends; 11 Candidates for President

PY1406164694 Sao Paulo AGENCIA ESTADO in Portuguese 0018 GMT 12 Jun 94

[Text] Brasilia, 12 Jun (AE)—At 1900 today the Superior Electoral Court (TSE) closed registration for presidential candidates. Only one party registered candidates over the weekend: the Brazilian Party for the Defense of Women's Rights (PBDDM) [Partido Brasileiro de Defesa dos Direitos da Mulher]. The party's presidential candidate is Aldenora de Sa Porto and the vice presidential candidate is Nina Maria Alexim. The PBDDM has been provisionally registered, and the registration of its candidates is subject to approval by the TSE. Aldenora de Sa Porto is the 11th registered candidate.

The others are: Luiz Inacio Lula da Silva (PT) [Workers Party], Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party], Orestes Quercia (PMDB) [Brazilian Democratic Movement Party], Leonel Brizola (PDT) [Democratic Labor Party], Esperidiao Amin (PPR) [Progressive Renewal Party], Flavio Rocha (PL) [Liberal Party], Eneas Carneiro (Prona) [Party for the Redefinition of the National Order], Hernani Goulart Fortuna (PSC) [Social Christian Party], Walter Queiroz (PRN) [National Reconstruction Party], and Caetano Matano (PT do B) [Brazilian Workers Party].

President Orders Implementation of 'Equal Salary Plan'

PY1306211294 Sao Paulo AGENCIA ESTADO in Portuguese 0022 GMT 11 Jun 94

[Excerpts] Brasilia, 10 Jun (AE)—Just one day after receiving a report from the military ministers, in which they warn of instability among the troops over low salaries, President Itamar Franco ordered Federal Administration Secretary Romildo Canhim to begin working next week with the Finance Ministry on a timetable to implement the equal salary plan among the three government branches.

This decision, which directly benefits the military and civil servants of the executive branch, was made during a nearly two-hour meeting with the four military ministers.

"It is impossible to maintain the current salary scale," President Itamar admitted during the meeting that was requested by the ministers who expressed total support for the equal salary treatment law. [passage omitted]

Federal Administration Secretary Canhim said he has no idea how long it will take to fully implement the equal salary plan. "Everything depends on the revenue collection capability, which we will now discuss with the Finance Ministry," he said. [passage omitted]

Franco Sanctions Antitrust Law, Vetoes Three Articles

PY1406132694 Sao Paulo AGENCIA ESTADO in Portuguese 1856 GMT 13 Jun 94

[Text] Brasilia, 11 Jun (AE)—President Itamar Franco sanctioned today, with three vetoes, the Antitrust Law (Number 8884). This law was hastily approved last week by the Chamber of Deputies and the Senate. Despite the entrepreneurs' criticism of the original text, the vetoes did not eliminate any of the controversial items of the law, which was created to control price abuses. In a message sent to the Senate, the last house of the legislative branch to approve the draft antitrust bill, President Franco explained the reason for the three vetoes. One of them eliminated Article 79 from the law, as it would have rendered vacant the positions of advisers, president, and universal agent of Cade [Administrative Council for Economic Defense] until the Senate appoints new officials.

The blanks left by the vetoes were filled by a new provisional measure promulgated today by President Franco. This provisional measure will also help regulate the functioning of Cade until a draft bill on the issue is examined by Congress.

According to the provisional measure promulgated today, the positions of Cade president, advisers, and universal agent remain in effect. Cade has now become a self-supported government organization instead of just another organization under the Justice Ministry. In his message to the Senate, President Franco explained that the empty positions would make Cade nonfunctional at precisely a time when the government must control the companies to prevent inflation in the new currency, which is to go into circulation on 1 July.

The government created two more advisory positions. The mandates of the officials who will occupy them will end together with those of the current Cade members. In the future, the mandates will last two years and one year, to make it possible to renew 50 percent of the Cade board.

Another veto eliminated Article 22, which had been badly written. The article linked two simultaneous infractions—unjustified increase in prices and charging excessively high prices—to the Economic Policy Secretariat (SPE) of the Finance Ministry. By replacing the preposition "and" with "or," the new provisional measure allows the secretariat to take action in either case.

The provisional measure also establishes that as far as fines are concerned, the company's profit during the fiscal year preceding the filing of a Cade administrative lawsuit should be considered. The basis for the fine—which can range between 1 percent and 30 percent of company's profit—must be corrected in accordance with the criteria used to update the payment of overdue federal taxes, until the fine is paid for. Independently from collecting the fine, the Economic Rights Secretariat [SDE] of the Justice Ministry will ask the prosecutor general to adopt the required judicial measures to prevent economic abuse if the preventive measures adopted by the SDE are not complied with.

President Franco also vetoed Article 82 of the law, which establishes that expenses involved with the implementation of Cade be paid for with budget funds allocated to the Justice Ministry. The provisional measure does not really clarify how the Ministry will meet these expenses.

Military Chiefs Express Troops' Discontent With Salaries

PY1306204994 Sao Paulo AGENCIA ESTADO in Portuguese 0005 GMT 10 Jun 94

[Text] Brasilia, 9 Jun (AE)—The military ministers have told President Itamar Franco about the pressure they are receiving from the troops who demand salary increases. They warned him of the worsening of the resentment in the barracks over low salaries. Military chiefs today leaked official reports passed to the president of the Republic in which they attempt to prove the unfeasibility of the domestic military budget which includes salaries that are considered dramatically low. "The budget does not cover our expenses," said Admiral Arnaldo Leite, chief of the Armed Forces Joint Staff (EMFA).

Army Minister General Zenildo Lucena confirmed the concern felt among the military leadership and admitted that a disruption of discipline may occur, although in

isolated incidents and within the scope of control of the commanders. Adm. Leite is not as optimistic and considers it risky to attempt to contain the troops' resentment without concrete solutions.

During a meeting at the EMFA headquarters today, the four military ministers decided to send President Itamar Franco a draft bill seeking to get Congress to establish a new salary system exclusively for the military.

In the report given to President Franco, the military leadership describes the situation as "unbearable." The report contains one worrisome fact, particularly regarding the recessive stage of the Real Plan: "What hurts the military most is that the sacrifice is not being shared equally among all public servants," the report states, adding: "Some employees are much better paid than others."

Adm. Leite stressed this serious aspect of the problem, mentioning the impunity with which businessmen commit price abuses, and asked for immediate and concrete measures against them. He said: "What hurts greedy businessmen most is not a prison sentence, but high fines. That way their pockets are affected, like ours."

To prove his complaints are well founded, Adm. Leite reported that a squadron admiral, the top post of the Navy career, with 45 years of service, currently earns a gross salary of 2,000 URV's [Real Value Unit] or a net salary of 1,300 URV's. Adm. Leite mentioned his fear of discord among the troops, adding: "If a soldier disobeys the rules we will arrest him, but this is not a solution." Leite believes the solution is a salary that at least allows military personnel to pay their bills, so as to prevent moonlighting—which is not allowed.

The military document warns: "There is a risk of instability in the basic principles of hierarchy and discipline because subordinates blame their chiefs for their low salaries. Since they are prohibited from unionizing or striking, their chiefs—that is, the Armed Forces Joint Chief of Staff—must interpret their feelings and fight for the troops' demands."

Here is a list of the expenses of a lieutenant colonel graduated from the staff school and with 27 years of seniority, married, with two children, one in college and another one in high school, who is renting a three-room apartment in Grajau District, northern Rio de Janeiro:

His gross monthly salary amounts to 1,329 URV's. (All figures are in URV) [1 URV is approximately equal to $1].
Gross salary (monthly): 1,329
Obligatory discounts (military pension fund, health fund, income tax): 298
Net salary: 1,031
Expenses (monthly):
School (college, high school, English lessons): 518
Rent: 340
Energy, telephone, gas, and water: 168
Garbage collection: 2
Food: 350
Maid (earning a minimum salary, INSS [National Social Security Institute] contribution, transportation): 80
Savings account (gross 10 percent to pay for a housing loan): 199
Fuel and bus, subway fares: 86
IPVA [expansion unknown] (expenses for Volkswagen Gol utility vehicle): 38
Clothes and shoes: 42
Health expenses: 64
Military Club monthly fee: 14
Minimum leisure (going to the movies twice a month): 30
Personal expenses (barber, snacks, children's allowances, newspaper): 99
Total expenses: 2030
Deficit: 999
Adjustment needed: 97 percent.

Low Salaries 'Undermining' Military Institution

PY1406175894 Sao Paulo AGENCIA ESTADO in Portuguese 1830 GMT 12 Jun 94

[Report by Roberta Jansen]

[Text] Rio de Janeiro, 12 Jun (AE)—Aeronautics Minister Lelio Viana Lobo today said that the low salaries paid to the military "are undermining the foundations of the institution" and are causing "uneasiness" in the barracks. "Love for the Fatherland maintains our discipline," he said, repeating the words of Navy Minister Admiral Ivan Serpa. Lobo attended the commemoration of the 63d anniversary of the National Air Mail Service at Campo dos Afonsos, in northern Rio de Janeiro, where he attended a mass and air shows.

"For a long time now we have been trying to show to the government and to the people the distressing situation we are experiencing," the minister said. Lobo, one of the designers of the bill that provides for an average 35 percent salary increase, hopes that President Itamar Franco will immediately sign the provisional measure on the new law for military salaries. "It is unfeasible to continue to earn a salary with which we cannot live even a modest life," he claimed. "We know the entire country is going through difficulties, but it is important to solve this matter as soon as possible," he added.

The minister recalled that all military demands have been made with due respect for the institution's hierarchy and discipline. "We have no union, and we hold no marches," he said. Brigadier Armando Arquimedes, chief of the Social Communications Center of the Aeronautics Ministry, who was accompanying Lobo, denied that the mistakes in the playing of the national anthem last Friday, during a ceremony attended by President Franco and the Navy minister, were meant to protest the low salaries. "We do not protest that way. It was a protocol mistake," Arquimedes said.

Concerning the proposal by PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva to create a defense ministry gathering the three military ministries, Lobo said that the idea must be carefully studied. "We have worked with a spirit of cooperation for more than 50 years," he said, hinting that it is not necessary to unite the three forces. The minister said that if asked—as has been promised by some of the candidates for governor in the state—the Air Force will cooperate in the fight against violence in Rio de Janeiro.

Argentina Requests Investigation of Subsidized EU Malt Exports

PY1406201194 Sao Paulo GAZETA MERCANTIL in Portuguese 9 Jun 94 p 15

[Article by Maria Helena Tachinardi]

[Text] At the beginning of May, the Argentine Government asked Brazilian authorities to investigate the European Union's (EU) alleged provision of subsidies to its malt and barley exports to Brazil. The same procedure was used some months before to demand Brazilian action against Canada, which was allegedly harming Argentine wheat exports to Brazil.

Argentine Ambassador Alieto Guadagni yesterday confirmed to this newspaper that his government sent a note to Brazil on the basis of Resolution No. 3/92 of the Mercosur [Common Market of the South] Council, which allows a signatory country to ask another signatory country to begin an investigation if it feels harmed by unfair commercial practices by third countries. In the case of wheat, the Brazilian Government agreed with the Argentine Government, which asked for an investigation into Canada's alleged "dumping" practice. Brazil is still investigating Canada. Concerning malt, the Ministry of Industry, Commerce, and Tourism reported that the government has not yet adopted a position, because the Argentine request is still recent.

Official sources, however, have said that it is necessary to decide what to do with Mercosur legislation, because if a case begins on the basis of the Treaty of Asuncion, it will have to conform to Mercosur laws.

At least two Mercosur members—Brazil and Argentina—import subsidized EU products.

Argentina imports subsidized pork from Denmark and powdered milk from the Netherlands, Brazilian sources have said.

In the case of malt, Argentina has complained that Brazil, its main market—Brazil buys 90 of Argentine malt exports—has increased its malt purchases from France and Belgium, which are Europe's main producers. It has been reported that Argentina sold Brazil 94,000 tons of malt in 1991, while the EU exported 200,000 tons. Last year, Argentina sold 55,000 tons on the Brazilian market. Brazil consumes 600,000 tons of malt, of which 200,000 are produced locally.

The Argentine Government claims that if no subsidies were being paid on malt, the EU product would be sold in Brazil for $480, instead of $260, per ton. "There is an 85 percent reduction in the European price because of a $201 subsidy per ton of malt," an Argentine entrepreneurial source explained. The average price of the Argentine product in 1992 was $300 per ton.

According to the EU delegation in Brasilia, the standard or domestic price for the harvesting period that will be over at the end of this month is $150 per ton. If the international price stands below this ceiling, the EU producer is entitled to compensation.

The Argentine Government has estimated a potential loss of $70 million for its malt sector. The Pampa Malt Plant, which is a partnership between Brahma and an Argentine group—headquartered in Buenos Aires Province—has reportedly reduced its production because of Brazilian imports from the EU.

Franco's 'Intervention' in Economy Viewed

PY1506015894 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Jun 94 Section 1 p 4

[Article by Carlos Alberto Sardenberg]

[Text] The economic team believes that it is losing control of the Real Plan. After President Itamar Franco trampled on it in the chapters on rents, school fees, and the antitrust law, the economic team now finds itself facing a greater threat: the regulation of banking interest rates.

President Franco has asked Deputy Benito Gama (PFL-BA) [Liberal Front Party - Bahia] to hasten the presentation of the draft bill regulating Article 192, Paragraph 3, of the Constitution, which establishes that real interest rates (not including the inflation rate) cannot surpass 12 percent annually. (Public federal bonds currently earn an interest rate of 25 percent.)

But it so happens that Finance Minister Rubens Ricupero had asked Deputy Gama exactly the opposite, that is, to delay as much as possible the presentation of the aforementioned draft bill.

Deputy Gama presides over the special Chamber of Deputies Committee that will present the draft bill by order of the Federal Supreme Court. The first deadline for presenting the draft bill is 20 June, but Gama had agreed with Ricupero that he will ask for an extension of the deadline.

All the members of the economic team, without exception, consider it absurd to regulate interest rates. According to them, it is wrong in theory, unfeasible in practice, and politically incorrect.

President Itamar maintains a populist view that high interest rates are caused by bank profiteering with the connivance of the Central Bank, while the economic

team members believe that the high interest rates are the consequence of the chronic inflationary state of the Brazilian economy.

The whole logic of the Real Plan foresees minimum government intervention in the economy. If government intervention is necessary, the idea is to maintain economic neutrality so that contracts in the new currency maintain the same equilibrium.

Directly inspired by President Itamar, exactly the opposite was done with the conversion [into URV, real value unit] of the school fees. Although they officially remain silent, the economic team members believe that the formula to convert the school fees [into URV] is simply absurd, because it takes into account the nominal average fees of the previous four months rather than the nominal real average fees.

The economic team also believes that the president's intervention undermined the rent issue. Besides, the delay in making a decision has resulted in some inflation points being carried over to the inflation rate of July, the first month in which the real will come into circulation. The rent contracts that are converted into URV now will be paid in June, and they will then be included in the composition of prices.

The economic team members believe that the uproar the president made over the antitrust law has had a single effect: an effective increase of prices, besides creating an atmosphere of instability which is something very negative for the new currency.

They believe that it is not necessary to issue an arrest warrant against businessmen to make them lower their prices. They believe that prices will remain stable because the public deficit will be under control, the economy restrained, without any excessive demands, and because the real will break the inflationary inertia.

Civilian Scientists To Be Evicted From Navy Housing in Aramar

PY1306204694 Sao Paulo AGENCIA ESTADO in Portuguese 1950 GMT 9 Jun 94

[Text] Sorocaba, Sao Paulo, 9 Jun (AE)—Navy Ministry civilian employees who work at the Aramar Experimental Center [Centro Experimental Aramar] in Ipero, 130 km from Sao Paulo, are being evicted from the houses that were built by the Navy in the 1980's for nuclear scientists and engineers who worked at the center. Aramar is where the Navy developed the uranium enrichment technology used in the construction of the first Brazilian nuclear submarine. Some of the civilian employees threatened with eviction are among Brazil's top nuclear experts.

The eviction order was given by Admiral Domingos Alfredo da Silva, director general of the Navy material department. He is one rank above Admiral Othon Luis Pinheiro da Silva, president of the Coordinating Center for Special Projects (Copesp), the agency that administers the Aramar center. The scientists have been given until 29 June to leave the Navy houses.

The civilian employees, who did not want to be identified to avoid being dismissed, said the measure affects dozens of experts from Sao Paulo and other states who moved to the area when they were hired by the Navy. One of them said: "The houses were offered as compensation for moving our residences, given that Navy salaries have always been below market salaries." Nearly 1,000 civilian and military employees live in Aramar. They say the 650 civilians are being discriminated against.

One consequence of this move will be the flight of experts in ultra centrifuge techniques and in other subjects that the Navy Ministry considers strategic. The Aramar nuclear program has so far cost the Brazilian Government nearly $700 million.

The material department director and the Copesp president were sought by journalists yesterday to explain the eviction of civilian employees. Advisers reported that Navy officers can only speak to journalists with the authorization of the office of Navy Minister Ivan Andrade Serpa. Although his office was contacted by fax, there has been no answer so far.

Mato Grosso do Sul Landowner Demands Eviction of Settlers

PY1406155094 Sao Paulo AGENCIA ESTADO in Portuguese 2039 GMT 10 Jun 94

[Report by Antonio Jose do Carmo]

[Text] Ribas do Rio Pardo, 10 Jun (AE)—One year after the invasion of 83,000 hectares of a eucalyptus reforestation area in the Mato Grosso do Sul county of Ribas do Rio Pardo, 150 km from Campo Grande, the landowner has filed a request with the courts demanding the restoration of his right to possession of the land, and the eviction of at least 1,000 families who have settled on the ranch, building fences, planting grass, and feeding cattle.

Industrialist Leo Chueri, the landowner, said the hundreds of intruders are ranchers and owners of small estates in Sao Paulo State. The announcement of their possible eviction has increased tension among settlers. Contrary to other movements that remain organized behind unions and church leadership, the Ribas de Rio Pardo settlers are not organized. Each one chose an area according to his own economic capacity, hiring armed foremen to guard their sites.

The Brazilian Institute for the Environment and Renewable Natural Resources (Ibama) and the National Land Reform and Settlement Institute have both produced reports saying that the land is inappropriate for agriculture. Yet cattle breeders have succeeded with their grass plantations.

The elite of intruders, who are also called the "landowners," even include a deputy whose name is on the official list submitted by the ranch owner. Roberto Razuk (PMDB) [Brazilian Democratic Movement Party] is considered the strongest invader of the ranch. He maintains an armed group. The deputy could not be found to comment on the accusation.

Judge Raul Roveda, of Ribas de Rio Pardo, ordered the removal of settlers from 18,000 hectares. This area was occupied by hundreds of families of itinerant workers who were hired by the Union of Rural Workers of Ribas de Rio Pardo. Most of them claim to have no land on which to graze the cattle they are now grazing on the abandoned reforestation project land. The landowner, however, claims that "the courts can be human only with men, women and children; the cattle must be put on the highway."

Army Air Command To Host Latin American Helicopter Fair

PY1306190894 Sao Paulo GAZETA MERCANTIL in Portuguese 8 Jun 94 p 11

[Article by Virginia Silveira in Sao Jose dos Campos, Sao Paulo State]

[Excerpts] From 30 August to 4 September, the Army Air Command (Comavex) [Comando de Aviacao do Exercito] will host in Taubate (Sao Paulo State) the first International Helicopter Fair in Latin America (Hexpo/94) GPM Events, Promotions and Informatics—the company responsible for organizing the fair—has already sold 45 of the 90 stands available at the fair, where equipment and aircraft worth more than $600 million will be on display.

Large manufacturers of helicopters and suppliers of aircraft parts and equipment have already confirmed their attendance at the fair, which is expected to attract more than 200,000 people. Among those who will be attending Hexpo/94 are Eurocopter (a merger of the French Aerospatiale with the German MBB), which is represented in Brazil by Helibras [Brazilian Helicopters, Inc.]; Bell, which is represented by Lider Taxi Aereo; Rolls Royce, Celma, Motortec, TAM, Petrobras [Brazilian Petroleum Corporation], Bank of Brazil, and others.

GPM President Jose Fernando Portugal said his company is investing $160,000 in organizing the fair. In addition to the exposition, the fair includes a seminar on flight safety, shows, flying demonstrations, and the first Brazilian helicopter flying competition.

The fair will devote an area of 5,800 square meters to aircraft exposition, and 3,800 square meters will be earmarked for exposition of equipment and aircraft of the Aeronautics, Army, and Navy Ministries. There will be 90 stands, the sizes of which will range from 6 to 144 square meters. [passage omitted]

The Taubate-based Army Air Command, which was built in 1986, houses the largest helicopter fleet in Brazil. Its current fleet consists of 52 helicopters, 36 of which are Panthers (two turbines and 12 seats) while 16 are Esquilo models (the light type, with six seats).

Implementation of National Biodiversity Program Announced

PY1406194194 Sao Paulo GAZETA MERCANTIL in Portuguese 8 Jun 94 p 12

[Article by Lilian Bem David]

[Text] The main objective of the National Biodiversity Program that the Ministry of Environment and the Amazon Region will set in motion in Rio de Janeiro on 17 June is to obtain more detailed knowledge of the living organisms in Brazil, which represent 15 percent of all the living organisms in the world, and to explore their sustainable use. "We want to open a registry based on proposed projects," Haroldo Mattos de Lemos, Brazil's Secretary for Environmental Affairs, said yesterday in Porto Alegre. Mattos de Lemos attended the 7th State Environmental Conference (Confema), which was sponsored by the Rio Grande do Sul government and the State Foundation for Environmental Preservation (Fepam) with the support of Germany's GTZ [German Society for Technical Cooperation] environmental agency.

Lemos reported that 30 million living organisms are believed to exist on the planet, but that only 1.5 million are scientifically known, while approximately 100 species are eliminated or lost every day.

The government has already guaranteed the provision of $48 million for financing the National Biodiversity Program, of which $30 million were granted by the World Bank (IBRD) and will be transferred through the Global Environment Facility (GEF). Lemos said: "The priorities for allocation of the funds have not yet been defined. The idea is to establish practical partnerships between the government, the private sector, and the civil sector." No budget limits have been set for individual projects, he added.

At the end of May, Lemos attended a meeting of the United Nations commission for supervision of compliance with the decisions made by Eco-92 [United Nations Conference for Environment and Development], which was held in Rio de Janeiro. He believes progress has been made in the implementation of conventions on biodiversity and climate change, which have already been enforced. "There is consensus on the registration of patents for the protection of intellectual property, while developed countries are willing to share the profits with the countries from which genetic resources are obtained for research," he said.

Negotiations are moving more slowly over the increase from 0.33 to 0.7 percent of GDP from the rich countries that should be allocated to environmental preservation

in the developing countries. "In the case of Brazil, it is also necessary to interpret Agenda 21 in terms of local features, as has been done in China, which set goals for the next century," he said. This will be one of the main missions of an interministerial council that the federal government intends to create to set the rules for sustained development in Brazil.

Lemos briefed Confema delegates on the operation of the Decentralized Implementation Program, which was agreed upon with the IBRD three weeks ago. The program will allocate $61 million (70 percent of which will be provided by the IBRD) for environmental projects that will be picked up by the Ministry of Environment and the Amazon Region and by registered state governments. The states that intend to register for the program will have to meet at least seven requirements, some of which are compulsory: preparation of environmental legislation consistent with the Constitution, creation of a state environmental council (a requirement that Rio Grande do Sul has not yet met), the issuance of environment permits for large undertakings, and the creation of legal advisory services to advise the population on environmental matters.

Each state may strive to obtain funds for up to six projects over a period ending 30 March 1995. Funds will be transferred directly to the municipal governments involved.

Exchange of Angra-II for Nuclear Submarine Considered With Russia

PY1406032294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jun 94 p B12

[Column by Alberto Tamer: "A Nuclear Plant for a Submarine"]

[Text] No one has yet proposed it, but the possibility of exchanging the Angra-II nuclear power plant—which Brazil purchased from Germany and which remains fully packed—for a Russian nuclear submarine, is already being considered. Brazil is striving to enlarge its submarine fleet and is building a nuclear submarine, while Russia badly needs nuclear plants to replace its old reactors that run the risk of causing a tragedy at any time. They do not need submarines, which they have in excess and which are expensive to maintain. We do not need the plant, which we bought without needing it and without having the money to install it.

National Telecommunications Code Criticized

PY1506000794 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jun 94 Section 1 p 17

[Article By Elvira Lobato]

[Excerpt] The Brazilian Telecommunications Code, which was created 31 years ago to grant concessions on radio and television stations in the country, has become a work of fiction.

The code forbids the concentration of the market and establishes that no entity or person can own more than 10 television stations nationwide. Five of those, at most, may be VHF (Channels 1 through 13).

The family of entrepreneur Roberto Marinho (Globo Network) has shares in 17 television stations, 15 of which are VHF.

The official registers of the Communications Ministry show the Marinho family has 10 television concessions (eight VHF and two UHF, that is, Channels 14 and above). They also have shares in four other VHF stations in Parana State, two in Sao Paulo State, and one in Minas Gerais State.

The Sirotsky family (RBS Network) has concessions for 13 VHF television stations and shares in another station in Espirito Santo State.

The Saad family (Bandeirantes), the Abravanel family (SBT, Silvio Santos groups), and the Camara family (of the Anhanguera family in the Center-West Region) all surpass the limit of five VHF television stations in the entire country.

The Bandeirantes group has concessions for nine VHF television stations, SBT has eight (plus one UHF station), and the Camara family has seven.

These oligopolies are the result of a loophole in the law: It established limits for entities and people, but it does not consider one simple trick—registering the concessions in the name of several companies or several members of the same family. [passage omitted]

Brazil Now Drug 'Warehouse,' Producing Cocaine for U.S., Europe

PY1406193994 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jun 94 p 10

[Article by Ascanio Seleme]

[Text] Brasilia—Brazil has become the main warehouse for the cocaine consumed in the United States and Europe. Last week's record seizure of 7.5 metric tons of cocaine dispelled any remaining doubts about the key role the country plays in shipping cocaine produced in Colombia, Bolivia, and Peru. In addition to distributing drugs to other countries, for the past four years there has been a new twist in Brazil's trafficking activities that concerns police authorities: Brazil is producing cocaine.

The Federal Police [PF] believe at least 2 percent of Colombian-owned refining laboratories have been operating in Brazilian territory since 1990.

Sergio Sakon, chief of the PF Narcotics Enforcement Department, rules out the possibility that this percentage will increase in the next few years. In addition to difficulties in transporting the cocaine base—a coca by-product—into Brazil, there are no experts in cocaine

refining in the country. Brazilian laboratories are operated by Colombian and Bolivian "cooks," who attract attention in border areas and thus increase the risk of a police crackdown.

Sakon added: Furthermore, laboratories require the cooperation of their host communities. They can get this cooperation in Colombia, but not in Brazil.

Studies by the DEA (the U.S. drug enforcement organization) show, however, that U.S. military actions against the Colombian cartels have resulted in the laboratories being moved to safer ground, mainly to the Brazilian border with Colombia, Bolivia, and Peru. The Brazilian region that houses the laboratories is identical to the areas where the main cocaine refining laboratories are located in the three neighboring countries: Tropical forests and savannas.

Chile

Resumption of Cuban Diplomatic Ties Denied

PY1406174394 Madrid EFE in Spanish 1432 GMT 14 Jun 94

[Excerpt] Santiago, 14 Jun (EFE)—Acting Chilean Foreign Minister Jose Miguel Insulza has stated that "no important announcements" will be made in Cartagena following the meetings that Chilean President Eduardo Frei will hold with his Cuban colleague Fidel Castro and his Bolivian colleague Gonzalo Sanchez de Lozada.

Insulza thus denied reports in Santiago that Chile and Cuba will announce the resumption of diplomatic ties at the end of the Ibero-American Summit, which starts today in Cartagena.

Regarding Cuba, Insulza said: "It is not in our plans to make any specific announcement after this meeting (between Frei and Castro)." He warned, however, that it is difficult to comment on a meeting that will take place in the next couple of days.

Chile and Cuba severed diplomatic ties in September 1973 following the coup d'etat perpetrated by General Augusto Pinochet. Ties at the consular level were restored after the first Ibero-American Summit that was held in Guadalajara (Mexico).

Cuban Foreign Minister Roberto Robaina is scheduled to make an official visit to Chile in August. An announcement on the resumption of diplomatic ties has been reportedly postponed until then.

As for the Bolivian issue, Insulza said nothing has changed. He asserted that the Frei-Sanchez de Lozada meeting has "an open agenda." He did confirm, however, that Bolivia's landlocked issue will be discussed. [passage omitted]

Finance Minister on NAFTA, Mercosur, Future

PY1406181494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 14 Jun 94

[Interview with Finance Minister Eduardo Aninat by reporter Bernardo de la Maza upon his return from a seminar organized by the Inter-American Development Bank and the INTERNATIONAL HERALD TRIBUNE in London—recorded]

[Excerpt] [Passage omitted] [Aninat] We met with several U.K. authorities—particularly with Michael Portillo, the chief secretary to the Treasury, and with the governor of the Central Bank. We observed the great interest being shown by such important countries as the United Kingdom in Chilean economic development and in future British investments in the Chilean market. We are creating great expectations.

[De la Maza] How do well-informed sectors in Europe view Chilean negotiations with NAFTA and with Mercosur [Common Market of the South]?

[Aninat] With great interest and with special attention because it amazes them that Chile is undertaking two practically concurrent major negotiations, namely negotiating with North American countries—the United States, Canada, and Mexico—and with Mercosur member countries. This is a positive indication that we are maturing and gaining access to other types of alliance. This is how they see us. I say with special attention because EU countries do not want to be left out of Latin America, or Chile in particular, through this type of negotiations. This is very interesting for us and we should propose special relations with European countries.

[De la Maza] In light of the criticism voiced about Chile's possible incorporation into NAFTA, from the workers' standpoint, how will joining NAFTA be to their advantage?

[Aninat] For one fundamental reason: Chile has been on an export drive for more than 10 years, an outward-looking policy that seeks to promote exports. The performance of those sectors is fundamental for investments and employment. Moreover, Chile is a poor country which does not have enough capital at its disposal to undertake every interesting investment project. As we attract capital by promoting more investments in our country, there will be better and more productive employment. This is the key to sustainable wage increases. In other words, increasing productivity will mean workers will have more capital, technology, and technical knowledge about investments at their disposal which will, in turn, increase employment levels and productivity.

[De la Maza] Many people wonder why Chile is so interested in joining NAFTA when we already have special tariffs on a considerable slice of our exports into

the United States and we have a bilateral agreement with Mexico establishing zero tariffs.

[Aninat] Joining NAFTA is not a matter of life and death. It is an important and complex negotiation, but it is neither unique nor a decisive negotiation. The lower tariffs on our products—which average a reduction of 3 percent—are to a large extent based on the premise that Chile will for ever be subject to the general system of preferences. These are unilateral preferences that the Unites States graciously grants if it so desires. We want a guaranteed and stable access and an openness over our trade with the United States.

[De la Maza] What is your overall assessment of our economy?

[Aninat] I believe we are doing fine. There is some impatience among some business sectors but I think we are doing fine in terms of the adjustment between spending, revenues, and our projection for the rest of the year. There is no doubt that inflation will drop in the second semester and we will see that our growth rate this year will be 4 percent. This is a little lower than last year but it will consolidate one great step forward and enable us to grow by 5 or 6 percent in real terms in 1995.

[De la Maza] Thank you very much.

Government Rules Out New Amnesty Law

PY1406205094 Santiago EL MERCURIO in Spanish 7 Jun 94 p C2

[Text] Minister Secretary General of Government Victor Manuel Rebolledo yesterday ruled out any possibility that President Eduardo Frei's government will promote a new amnesty law to benefit those who are responsible for violating human rights.

The minister was consulted about initiatives in this direction by Center Alliance Party [PAC] President Adolfo Ballas.

Rebolledo said: "In our capacity as government we believe that, in compliance with the laws currently in force, the court's rulings on this matter must be respected."

He said that this was the governing coalition's proposal regarding the human rights subject in its government program.

He added: "The idea of a new amnesty law has not been considered."

The proposal made by Ballas, who proposed a new amnesty law that would benefit military officers who had been tried and civilians involved in terrorist attacks, was flatly rejected by the members of the Communist Party [PC].

Yesterday the Leftist Democratic Party, like the PC, categorically rejected the new amnesty law proposed by the PAC.

PDI Secretary General Antonio Leal said that the initiative would only establish a precedent of a new "pardon" that lacks any ethics.

Leal said it is immoral for this possible amnesty law to be proposed by the president of a member party of the coalition because it implies ignoring the governing bloc's policy on the subject as well as affecting the performance of the magistrates who currently hear cases involving violations of human rights.

Public Funds To Be Reallocated To Fight Poverty

PY1406125794 Madrid EFE in Spanish 2202 GMT 7 Jun 94

[Text] Santiago, 7 Jun (EFE)—Chilean Planning and Cooperation Minister Luis Maira today said that President Eduardo Frei's government will reallocate public expenditures to be able to more effectively fight the poverty affecting 4.5 million Chileans.

Minister Maira asserted that together with the Finance Ministry efforts are being made to draft a budget that, while observing a balanced allocation of funds, "will allow us to use the resources as best possible, granting priority to the various public sector projects."

The minister announced that a Latin American Social and Poverty Funds Network [Red Lationamericana de Fondos Sociales y de Pobreza] will be created in Santiago on 20 June.

To this purpose a regional meeting to discuss "alternatives to financing programs designed to overcome poverty" will be held. A total of 21 Latin American and Caribbean delegations will participate in this event.

The current government has made the struggle against poverty its priority target. The government intends to pull the 1.2 million Chileans who currently live in extreme poverty out of this situation.

Today Maira explained that the National Program to Overcome Poverty has no populist purpose.

The Planning Minister said: "We have carefully tried to avoid creating overblown expectations. We have not set regional targets or objectives that could suggest improvements greater than conditions will allow."

Defense Chief Comments on Professional Army

PY1406203494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 14 Jun 94

[Text] National Defense Chief of Staff Jorge Patricio Arancibia has stated that the Armed Forces favor compulsory military service because it helps to safeguard society.

Vice Admiral Arancibia said military service enables youths to acquire values and principles, and helps them to understand professional training.

Arancibia said of the 121,000 who registered in 1993, only 29,400 were drafted. He added that the Army and the Air Force have already reduced military service to one year, while the Navy is studying this possibility.

Asked about the Argentine decision to create a professional Army, he said the Chilean Armed Forces should also study this issue. He declined to say if the Argentine decision constitutes a threat because Argentina has yet to implement this decision. Arancibia admitted, however, that a professional Army is more effective than a nonprofessional Army although it is more costly.

Investigative Police Arrest Buschmann

PY1506001794 Madrid EFE in Spanish 1803 GMT 14 Jun 94

[Text] Santiago, 14 Jun (EFE)—The Chilean Investigative Police arrested Sergio Buschmann today at the international airport. Buschmann, who has been a fugitive since 1987, returned voluntarily from Nicaragua.

More than 200 peple were waiting at the airport for Buschmann, who arrived from Costa Rica after a three-hour delay. Among those waiting for him were leftist opposition leaders who went to the airport to express their solidarity with him.

Buschmann, a 51-year-old theater actor and one of the founders of the Manuel Rodriguez Patriotic Front (FPMR), was arrested during the past military regime. He was accused of leading an operation to conceal weapons the FPMR had smuggled into Chile in 1986.

The following year he escaped from prison and left the country clandestinely. Today he is returning to exercise, as he said, his legitimate right to defend himself and to resume his life legally.

Correction to President Eduardo Frei Interviewed

PY1006175394

The following corrections pertain to the item headlined "President Eduardo Frei Interviewed" published in the 8 June 1994 Latin America DAILY REPORT, on pages 35-42.

Page 37, column two, paragraph four, sentence one, reads ... more than $1 billion. In the public .... (correcting amount)

Page 41, column one, paragraph three, sentence two, reads... Republic, and he has done the same ... (correcting word)

Colombia

Terrorists Attack Caracol, RCN Repeater Stations

PA1406140594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 14 Jun 94

[From the "Caracol's 0600 to 0900" newscast]

[Text] Attention: The first problem of the Fourth Ibero-American Summit in Cartagena arose when terrorists blew up the Caracol and Radio Cadena Nacional [RCN] repeater stations. The attack, for which no group has claimed responsibility, destroyed the stations' tuning boxes and insulators. Caracol is using special emergency frequencies and mobile telephones to cover the presidential summit.

U.S. Troops Assist Earthquake Victims

PA1406170094 Panama City ACAN in Spanish 2122 GMT 12 Jun 94

[Text] Panama, 12 Jun (ACAN-EFE)—U.S. Army South, based in the Panama Canal area, today sent 37 troops in two "CH-47 Chinook" helicopters to Colombia to help victims of the earthquake and subsequent floods, which have left several towns mired in mud.

A U.S. Army South communique says the troops sent to Colombia are specialists in meteorology, air traffic control, civilian-military operations, security, and medical treatment. The U.S. troops' mission is to transport Colombian Government first aid personnel and supplies and to evacuate disaster victims.

The Neiva Airport in Colombia is serving as an operations center and a storage center for supplies that will later be transported by helicopter to affected areas that are inaccessible by land following last week's earthquake.

The strong earthquake, which resulted in hundreds of deaths and disappearances early this week, was part of a wave of earthquakes that "bounced" among Bolivia, Chile, Peru, Paraguay, Argentina, Brazil, Mexico, Panama, Puerto Rico, the United States, and Canada. Earthquakes have recently increased in the so-called "circle of fire" in the Pacific, which includes all countries on the Pacific coast.

Ecuador

Government Modernization Priorities Outlined

94SM0359A Quito HOY in Spanish 12 May 94 p 3A

[Press conference by Marcel Laniado, president of the National Modernization Council; place and date not given]

[Text] "We are not going to fall into the trap of reorganizing social security. That is not the wise thing. The

people of Ecuador need an answer," Marcel Laniado, the president of the National Modernization Council (CONAM), has said.

Laniado has announced radical changes in this sector so that those insured "will have basic choices, with guaranteed future pensions and medical care for themselves and their families when they are ill."

In a lengthy discussion with the publishers, editors, and reporters of HOY, Laniado defined the six major priorities in the launching of the reorganization in the state sector. They pertain to social security, telecommunications, airports, customs, the Civil Registry, and maritime ports.

At the same time, he announced that both public and private activity will be demonopolized. To this end, a code is being drafted to provide these two sectors with a body that will provide them with adequate service and will denounce any irregularities or abuses.

The Six Priorities

—Emphasizing the social security issue, the president of the CONAM indicated that the accusations made about the quality of care in social security indicate that those who are managing this sector do not value life.

"What social security has done to us is unforgivable. The workers are contributing 23 percent, but they are not receiving any benefits. Even the widows cannot obtain aid funds promptly," he stressed.

After noting that the social security institution is totally disorganized and has had no accounting system for the past 10 years, Laniado announced that plans have been made to establish a parallel system. With this system, the members will know what is guaranteed them, how much they will receive per month, where they and their families can go for medical care, how much it will cost them, and what they will be able to save for their retirement.

He said, the system is not so simple, however. This is because it requires a decision on the part of the insured party as to where he wants to deposit his funds, his contributions, in order to obtain the best guarantees and insurance. "I do not know if a project like this can be launched in just two, three, or four months."

—On the telecommunications issue, the president of the CONAM said the entity in charge of this sector is one of the most backward. "This is a corrupt sector, as a result of tremendous disorganization. We do not have adequate technology, and there is an insufficient number of lines."

With a view to structural change, finding the best possible solutions, and putting the chaos behind us, bids will be solicited from consulting firms. Concessions for providing services will be granted to international enterprises, and they will bring in new capital and technology. Laniado hopes that this will enable Ecuador to enter the world of technology and telecommunications within a short time.

For the modernization and management of the airports in Quito and Guayaquil, similar bids will be solicited, and specialized firms will execute this project in association with domestic groups, using the current infrastructure. "Glorified projects are not required in order to provide decent service," this official emphasized.

Maritime port services will also be given concessions. What is wanted is for the vessels to have "an adequate system, one that is not corrupt, as is the case now."

According to the president of the CONAM, the ports in Ecuador, and that in Guayaquil, in particular, are not competitive with the ports in the neighboring countries. The vessels arriving at ports in Ecuador face fees that are higher than normal. "There is theft, carelessness, and delay in unloading goods."

"There will be a veritable shakeup in the customs service so as to change the current smuggling system, which is one of the speediest paths to illegal enrichment."

Marcel Laniado announced that four internationally known enterprises established in the country will be responsible for certifying the invoicing of all the products imported into Ecuador. Each importer will be able to sign a contract with one of these enterprises, which will be paid one percent of the total value of the goods imported.

The importer's invoice will have to show certification by this firm, which will calculate the taxes and pay the amount owed into any bank.

This mechanism will eliminate import permits, as well as the 22 steps that must currently be completed in order to effect an import. At the same time, it will make it possible for the release of goods from customs within four hours of their arrival in the country.

The president of the CONAM warned that any irregularities for which the importer is responsible will entail serious criminal penalties. At the same time, the customs appraisers and assessors, and any possibility of bribery, will be eliminated. "This is a way of making the system honest. The country will benefit from the income generated by the customs duties collected on imported goods."

The same procedure will be applied for exports.

Prior to the reorganization of the Civil Registry structure, a study was undertaken. Now complete, the study reveals the critical situation in this sector.

Laniado announced that as of 31 May, a call for bids will be issued, after which certain enterprises will be allowed to manage the issuance of identity cards and other certificates on a concession basis.

It is possible that notaries will continue to provide the certified copies of birth and marriage certificates. To this end, standard offices managed by businessmen interested in providing this service will be established.

This, however, will entail an increase in the fee paid from the laughable sum of five sucres currently being charged for a birth certificate to some 5,000 or 6,000 sucres.

The system will be automated so as to make it possible for citizens to obtain identity cards in any part of the country.

The computer center will be located in Quito, and it will have three sections, with their respective officials—the Civil Registry, the Supreme Electoral Board, and an internationally qualified auditing department.

Defining Modernization

The concepts of modernization and privatization are being confused, Marcel Laniado, the head of the CONAM, says. Most people think that modernization means privatization.

He said what is to be privatized is all of the enterprises that fail to serve a social function, and those in which the state has no involvement—the cement enterprises, for example. This would involve initiating the disinvestment process, which is being pursued by the National Financing Corporation (CFN) and the National Development Bank. The state is selling all of its shares in the enterprises in whose activities it has no involvement.

Where the other sectors are concerned, this official emphasized that their activities will be parceled out on a concession basis. For example, the Paute hydroelectric plant will not be sold, but will be entrusted as a concession to an enterprise that will manage it and guarantee its maintenance.

Similar steps will be taken in the communications, oil, airport, and other sectors.

Laniado explained that modernization does not in any way mean unemployment. When efficient private enterprises take the responsibility for providing services, these services will expand, and more manpower will therefore be needed. In the telephone sector, for example, a larger number of lines will be made available, and the number of workers needed to install them will increase.

In Laniado's opinion, the private sector could offer better service and management than the state institutions, which have no channels for filing claims.

According to this official, there is talk of modernization in the country because there is backwardness in every respect. The lag does not just exist in comparison to other industrialized countries, but in comparison to the country's neighbors, as well.

"Our educational system is disastrously behind the times. It cannot even be compared with the educational systems in other parts of Latin America. Thus the situation needs to be changed," he explained.

There is also a lag in the technology sector, but the problem here can be resolved more quickly with the influx of foreign investment the country is expecting, which will be accompanied by technological renewal.

Paraguay

Article Examines Poor International Image

PY1406223494 Asuncion NOTICIAS in Spanish 12 Jun 94 p 25

[Article by Pablo Alfredo Herken Krauer: "The Dark Side"]

[Text] Paraguay could very well have become a predictable and predetermined country. Its economy might have avoided becoming one of the poorest and most backward in Latin America, and its people might have had a higher standard of living.

When lecturers deal with the issue of successful and unsuccessful countries at foreign universities, they usually teach that the United States did everything possible (and became a superpower) with many (resources) at its disposal; Japan did everything even though it had practically nothing; and Argentina did nothing despite having everything. But what about Paraguay? I would suggest that while having many resources it did very little indeed.

What went wrong? The economic and political systems failed as did the governments and the people. We were, and are, swindled.

The result of this is that in the eyes of many people abroad—even though they do not really know us—we are as poor as Haiti, as militarized as Cuba (where the government, the party, and the Army are part of the one and only "family,") and as predetermined as Panama under the wretched General Manuel Antonio Noriega. We are seen as very backward in economic reforms when compared to Chile, Mexico, Argentina, and Peru over achieving a more competitive, modern, and efficient economy.

Today, in mid-1994, the year which was forecast to have brought an economic "boom" [preceding word in English] and a major step forward in our development, very few can guess or predict what is in store for Paraguay in the short- and medium-term. Who can really say what will happen?

Just as there are few who can predict the future, similarly, those who can forecast—those who can devise measures to face what will happen—do not abound either.

What a country! Yet, technically speaking, there are positive results in the present economic scene even though Paraguayans are very cautious, have a deep mistrust of what the government says or does, and have no definite outlook for the future.

At the beginning of the year it was feared that inflation would run at approximately 30 percent. Yet prices have climbed much slower and, following the 0.5 percent inflation rate in May, we could end the year in a much better position than expected. The rate of exchange between the dollar and the guarani rose by less than 4 percent in six months.

The Central Bank's international monetary reserves have increased by 29 percent so far this year and by 40 percent compared with May 1993. This is a significant financial sign of our guarantee and credit-worthiness to the rest of the world.

This is especially so if we recall that in February 1989 we did not have—literally speaking—any reserves at all since the $233 million then in the Treasury vaults were not enough to cover the payment arrears that had accumulated with international creditors, which totalled $303 million. Moreover, we had to shoulder our $1.885-billion external debt—some 48 percent of our total annual economic production—which had nearly tripled since 1980 due to [former President Alfredo] Stroessner's extravagance that has caused us so many headaches.

Our international monetary reserves now stand at $898 million—probably the best level in the last 10 years—with no significant arrears with our foreign commitments, with a sizable dollar deposit in our banks ($638 million), and with a "reduced" foreign debt amounting to just $1.232 billion (representing 17 percent of the country's production in 1994), the Paraguayan economy can afford the luxury of laughing at the critical situation confronting many other Latin American countries that suffer from their over-indebtedness.

The Central Bank's international reserves have increased by 3,642 percent in real terms since 1988, dollar deposits have grown by 349 percent (by 475 percent since February 1989), and the external debt has been reduced by 35 percent in the period under consideration (by 41 percent since December 1989).

Indeed, Paraguay does not have any problems with its external debt, and the "nice" side of its economy projects a positive and attractive image to the world. And yet, we are unfortunately seen as a Haiti (a poor and backward country), a Cuba (militarized and under the hegemony of the Colorado Party), a Panama (drug traffickers), and we trail far behind the leading countries in the region. This is why we are neither a predictable nor a predetermined country.

On closer examination, or by dwelling upon the present economic circumstances, the problem of foreseeing what will happen and preparing for it becomes even more curious and worrisome when we see that since August 1993—when President [Juan Carlos] Wasmosy took office—Central Bank international reserves have increased by 50 percent, dollar deposits have grown by 14 percent, and $273.2 million from Itaipu [in royalties] has entered the country.

If this were not enough, the distinctive trait of the policy of the finance minister and his team is that of a more balanced budget management. They have at their disposal 50 percent more financial resources than last year—some $544 million—and have spent approximately $387 million, thus yielding a 41-percent surplus.

On one hand, income tax collection has increased by 68 percent, revenues from value added tax and customs duties have grown by 36 percent and 32 percent respectively, and royalties from Itaipu have tripled. On the other hand, social expenditures (education, health care, and housing) have edged up by 40 percent.

Notwithstanding this, Paraguayans are cautious and distrustful, they are neither satisfied with nor reassured by the performance of the administration, and the outlook is uncertain. Why?

Some colleagues would argue, quite rightly, that the "harsh" or gloomy side of our difficulties should come before the "bright" side of the economy. To spell it out; cotton production will drop by 20 percent, there is no "boom" in soybean production, economic activity is either stagnant or near a standstill, credits that are in the process of being collected have increased by 67 percent (from May 1993 to May 1994), one can hardly make ends meet, and many people are barely eking out a meager existence or are even slipping.

This is true, but regardless of the harsh economic reality—and going beyond the positive results—the dark side of the economy does not explain the spectacle of a country which, instead of being predictable and predetermined, looks more like a boat adrift.

It is my considered opinion that the problem is presently more political than economic. Proof? 1) A government that did not start as expected and desired; 2) A president who does not convince and seems to be ensnared; 3) A military chief—General Lino Cesar Oviedo—who went from being the hero in the democratization film to being the chief bad guy, providing an additional example of how we cheat each other; 4) The crazy internal struggle by Colorado Party factions, which smells of a foul and irresponsible plot to undermine Wasmosy's administration; 5) Political chicanery and jingoism in general that characterizes the performance of the ruling party and of the opposition, like the case of 23 pitiful senators who tried to deal a "coup de grace" to the privatization of some state-owned companies.

This all leads me to conclude that the dark side of politics is more prejudicial than its economic counterpart.

From this viewpoint, one should be grateful for the present performance of the economy. Nevertheless, we could be in a much better situation and Paraguay could have become a predictable and predetermined country.

If the Wasmosy administration had been more concerned about the nation than about the party, if the ANR [the National Republican Association-Colorado Party] had been less of a troglodyte, if Congress had been more concerned about bills, if politicians had been more coherent, and if Gen. Oviedo had been sent into retirement, then the state of affairs in 1994 would have been very different and the positive results of the "bright" side of the economy would have really been instrumental in expediting and deepening change.

Although hard to believe, if Gen. Oviedo had been retired, Paraguay would now be a credible, predictable, and predetermined country. It would have been easier to give up being another Haiti, Cuba, or a future Panama, and the world would know us better.

We could be in a better situation; we should be in a better situation. Despite all its resources, Paraguay has done very little. We have been cheated and we have allowed it to happen. Cowards die several times; heroes die only once.

Peru

State of Emergency Extended in Several Provinces

PY1406195994 Lima Radio Programas del Peru Network in Spanish 1800 GMT 14 Jun 94

[Text] At the request of the Armed Forces Joint Command, the executive branch has extended the state of emergency until 14 August in the Department of Pasco and in the provinces of Huancayo, Concepcion, Jauja, Satipo, and Chanchamayo in Junin Department.

The state of emergency also affects the provinces of Castrovireyna, Huancavelica, and Huaytara in Huancavelica Department; the provinces of Lucanas, Huamanga, Cangallo, and La Mar in Ayacucho Department; and Quimbiri District in Cusco Department.

The government decree is published in the official gazette. It states that essential rights like the inviolability of the home, the right to travel throughout the country, the right to meet peacefully without weapons, and the fact that one can only be arrested on the express order of a judge are hereby suspended.

Remaining 'Red Sea' Militants Regrouping

PY1506002294 Lima EXPRESO in Spanish 5 Jun 94 p A4

[Text] Small terrorist groups of "Red Sea" battalion militants, retreating in disorder after escaping from the antisubversive forces following clashes near Monzon, are traveling to Ancash where Shining Path [SL] columns still exist near Callejon de Conchucos.

This conclusion is based on reports to this daily by intelligence experts who are evaluating military operation "Aries," which was held recently in the Huallaga Front.

Analysts stated that SL members, who until a few weeks ago camouflaged themselves by exchanging the rifle for the hoe and who several times tried to ambush Army patrols, are in Ancash after crossing the Jircan and Aranca (Huanuco) jungle.

The experts explained that they travel in small groups of four to six subversives, looting settlements and forcing peasants under death threat to house them in their small cabins and to feed them.

They said operation "Aries" was 80 percent effective but due to the harsh terrain and other factors, an undetermined number of terrorists escaped from Huanuco toward the Ancash mountain range.

They said the subversives may be in Llamellin on their way to Choccho and Sinachang but their objective is to reach Acobamba and the Callejon de Conchucos where there are SL columns who repeatedly conceal their weapons and mix with the peasants who raise sheep.

The analysts said these subversives, like all SL militants, ambush their enemy and then hide their weapons and appear to be peasants or businessmen who have nothing to do with subversion.

Hurtado Miller: I Would Not Run Against Fujimori

94SM0360A Lima DEBATE in Spanish Apr-May 94 pp 6-11

[Interview with former Fujimori cabinet Minister of Economy Juan Carlos Hurtado by Luis Jaime Cisneros H. and Pilar Davila; place and date not given: "With an Eye on 1995?"; first paragraph is DEBATE introduction]

[Excerpts] Juan Carlos Hurtado Miller (Lima, 1940) is a potential candidate for president of the republic in 1995. The former prime minister and economy minister in Alberto Fujimori's government admits that he might run in the 1995 presidential election with or without Fujimori but not against him. Hurtado portrays himself as a consensus-builder and acknowledges that the nation will need an agreement with the Armed Forces in order to ease the critical relations between civilians and the military; he also proposes wiping the slate clean to prevent revanchism that would jeopardize the country's modernization. [passage omitted]

[DEBATE] Your term of office as a minister lasted seven months. Don't you think this is a short relationship between a president and his prime minister?

[Hurtado] My job was a very special one. It was my responsibility to lay the groundwork for the process of stabilization and reincorporation. I had disagreements about social development. I wanted to decentralize the

municipalities, but Fujimori did not. My term of office was very different from Bolona's or Camet's; each one of them completed a stage.

[DEBATE] Did the government have a pacification strategy from the beginning?

[Hurtado] On the issue of pacification I attended three meetings of the Pacification Council that we created. Fujimori deserves all of the credit for the gains.

[DEBATE] Putting our trust in God at the close of your message announcing the "shock therapy" made you "famous"....

[Hurtado] The words "God help us" were extremely important. Although it may have seemed melodramatic, this was a sincere invocation. We did not know how the country was going to react to such harsh measures. And we had to create feelings of solidarity, unity, and faith in our country's destiny.

[DEBATE] What do you see as Fujimori's virtues?

[Hurtado] All Peruvians must acknowledge three extraordinary virtues in him. He rose to the occasion when he took over as president of the republic, bearing in mind that he went from running a university to running the country. Fujimori began his political career as president of the republic. Second, he was able to accept change. He entered a field that was unknown to him, economics in particular, and after a landslide election he risked his entire political capital overnight and implemented change by calling for a harsh program of economic stabilization. His third virtue is that he had the courage to head up the battle against terrorism. The Armed Forces have always had a strategy, but they complained that civilians were neither responsible nor determined enough to implement it and end the war.

[DEBATE] Are you a political sniper for Fujimori?

[Hurtado] The description bothers me. I would not take part in any electoral movement that might be organized against Fujimori, out of loyalty and, moreover, because I find it absurd. I think that if Fujimori's popularity declines, the big danger in 1995 is that the country will have dozens of presidential candidates.

[DEBATE] Would you support a neo-Fujimori candidate?

[Hurtado] That is a little like continuity within the status quo. It is what Fernando Belaunde Terry once said: "We need continuity in the government, but not the status quo." Today the architect has raised the same banner. Continuity means continuing the reforms, stabilization, pacification. What worries me about this course of action is that since we are a country with unmet needs, fulfilling them may come to be identified with one man, one leader.

[DEBATE] Do you think that what happened in the case of the "Cantuta law" lessens Fujimori's reelection chances?

[Hurtado] Yes, but Fujimori is an extremely practical man. He posits his theorem, sets forth his premise, develops his theorem, draws his conclusions, and puts "QED." He does not use modern mathematics; he is not a set-theory man. He analyzes the La Cantuta theorem as the La Cantuta theorem. The same thing will be the case with his reelection. He will consider his chances on the basis of the polls the National Intelligence System and private firms provide him; he will add and subtract, and if he senses that he has no chance, he will not run. Others say that he will do whatever he can to win, but I do not think that he will commit fraud to get reelected.

[DEBATE] Is Decree Law 776 on municipal budgeting a sign of a government campaign to limit the chances of Fujimori's major rivals?

[Hurtado] I think that the election campaign will be aggressive, but I do not see the municipalities law as a move against Ricardo Belmont. The mayor of Lima is wrong there. There may be another kind of confrontation with politicians that complicates the electoral atmosphere. It is not to the opposition's advantage if support for Fujimori weakens; instead, it is in their interest for him to remain at a reasonable 30 percent. If the political parties do not run candidates, their tone will be less aggressive towards Fujimori and vice-versa. I do not see any new candidates emerging either, besides Perez de Cuellar, who I think is the most serious one. Belmont is not the right man in terms of training, but he is an alternative, like Daniel Estrada and Luis Caceres.

[DEBATE] Do you share Belaunde's opinion that Perez de Cuellar lacks the heart to wage an election campaign?

[Hurtado] If that were true, if he lacked heart, then his huge contribution to Peru through his international prestige would offset any perceived personal shortcoming. I would not go so far as to say that Perez de Cuellar is not a good presidential candidate. We do not know Javier as a politician; we know him in the international arena, where he did an excellent job. Let's wait and see.

[DEBATE] You are speaking as though you were a potential pro-Fujimori presidential candidate....

[Hurtado] People say that because I have been a politician and have worked with Fujimori. But what kind of political support could I get?

[DEBATE] You seem to be assessing it....

[Hurtado] Look, someone has to put the idea in your head or nominate you as part of a presidential ticket.

[DEBATE] Would you accept a neo-Fujimori presidential nomination?

[Hurtado] I do not know. I have worked for 17 years in the public sector. I could do it five more years with or without Fujimori but not against Fujimori.

[DEBATE] How long has it been since you spoke with Fujimori?

[Hurtado] Two years, when he was kind enough to nominate me as a candidate for director general of the UN Food and Agriculture Organization.

[DEBATE] Do you think that Fujimori ought to run again?

[Hurtado] He should not because he will find it hard to free himself from his presidential duties and use all of the resources of the State. I do not think that he should be reelected. One reason is that the makeup of the next Congress is going to be very heterogeneous. How is Fujimori going to govern in 1995 if he is rejected by the political parties? In a Congress that is one-third pro-Fujimori, one-third political parties, and one-third independents, the two latter groups will likely join sides against Fujimori. So there could be another coup. This is why a consensus-building president is needed. In this connection, Perez de Cuellar could very easily carry on talks with the opposition to implement a minimal program.

[DEBATE] If we assume that the Armed Forces have a long-range agenda, beyond Fujimori, how can they be depoliticized?

[Hurtado] All of the candidates in 1995 will be under the Armed Forces' magnifying glass. I do not think that the military has an agenda; rather, they are committed to a program to move the country forward. An annoying but valid comparison is being made with what the Pinochet government represented in Chile, which with all of its defects put the country on the road to development. In contrast, the disaster began in Peru in 1968. I think that the Armed Forces are committed to an institutional agenda for the country's development rather than to the political manipulation or control of top echelons. So, the 1995 candidates will necessarily have to be close to the Armed Forces.

[DEBATE] Will the transparency of the electoral process be in danger if a candidate who does not have the approval of the Armed Forces is elected?

[Hurtado] A good candidate has to talk with the military; that is a national necessity. The transition from pacification to democratization in the country has to involve the Armed Forces.

[DEBATE] The election will be between a pro-Fujimori candidate and a neo-Fujimori candidate....

[Hurtado] If Fujimori is not a candidate, I do not think that the option of the designated successor will work. It has already been shown that the president does not have the ability to endorse anyone.

[DEBATE] What would you propose to do with the 1993 Constitution that Fujimori pushed?

[Hurtado] I would amend some of its basic articles.

[DEBATE] Do you think that the educational reform that the government will begin this year is constructive?

[Hurtado] Privileges in education have grown stronger in recent years, but I see no reform. I see only school construction. If Foncodes [National Compensation and Social Development Fund] does not have a program to protect pregnant mothers and children from birth to age five, then of what use is a reform? The social-development programs of Bolivia, Chile, and Colombia emphasize development between those ages because that is when brain capacity develops. This government's major shortcoming right now is its lack of vision in social development. I do not know whether the government has basic knowledge about social development. It may know something about the proper management of funds and organization. But by and large it has not outlined a program, its connection with social-development planning, and the complementary and substantive reforms such as decentralization.

[DEBATE] What items should be on a presidential agenda for the 1995-2000 period?

[Hurtado] Resolving the civilian-military and civilian-civilian relationships. Fujimori could do the first part well, but has had too many confrontations with civilians. So, what we need is a consensus-building president, and to forget about revanchism. Differences have to be narrowed, not widened. Peru needs solidarity, unity, and hard work by all.

[DEBATE] A clean slate?

[Hurtado] The only ones with whom I would not do that are the terrorists and the people who get rich through government.

[DEBATE] What items should be on a national government agenda?

[Hurtado] In my opinion, the next government has four basic tasks, and I think that Fujimori ought to bring them up right now. First, move from stabilization to development. Second, move from pacification to democratization. Third, move from reincorporation to integration. And finally, move from social development to the creation of productive jobs and inward integration by creating a grass-roots economy that brings the informal sector into the economic mainstream.

[DEBATE] Would you be Perez de Cuellar's running mate?

[Hurtado] That would be a great honor because I have great respect and personal admiration for him.

[DEBATE] What has been your most gratifying moment in politics?

[Hurtado] When I was sworn in as minister of agriculture on 4 September 1983, and my father was still alive but mentally and physically impaired. Nonetheless, I showed him the ministerial sash before I took the oath, and he smiled at me. I then inferred what he would have liked me to do and went to Dr. Bustamante y Rivero's home; I spent a long time talking with him about what a ministerial post means. It is a moment that I recall with the greatest satisfaction. I would have liked for my father to be there.

[DEBATE] And your most unpleasant moment?

[Hurtado] From 5 to 8 August 1990, when we became convinced that there was no choice but to implement a harsh stabilization program. We looked at the poverty figures and were dismayed about the impact that it was going to have on the poorest of the poor. Those were the most difficult and distressing moments of my political career.

[DEBATE] Do you admire any Peruvian politician?

[Hurtado] I have admired Bustamante since I was a child for his political integrity. As for the ones with whom I have had daily contact, there is Belaunde, who developed a very profound doctrine in Peru and who showed me new horizons for development that the university never did; Bedoya, because of his political drive and well defined personality; and Fujimori, for the aforementioned virtues.

Independent Candidates Have 'Best Chance'

PY1406234894 Madrid EFE in Spanish 1547 GMT 13 Jun 94

[Text] Lima, 13 Jun (EFE)—Research carried out by polling enterprises shows that the Peruvian presidential candidate with the best chance of winning the 1995 elections is one who is independent and able to solve the unemployment problem, the economic crisis, and the hunger problem.

Here are the issues that currently worry Peruvian's the most: unemployment (31.4 percent), the economic crisis (21.7 percent), terrorism (18.1 percent), low salaries (6.6 percent), hunger (5.9 percent), education (4.4 percent), drug trafficking (4.2 percent), and corruption (3.6 percent).

The poll conducted by the Imasen enterprise reveals that former UN Secretary General Javier Perez de Cuellar's chances have dropped to 28.3 percent while current President Alberto Fujimori enjoys the support of 39.8 percent.

Perez de Cuellar's popularity probably dropped due to his delay in deciding whether or not to run in the April 1995 elections.

If Fujimori and Perez de Cuellar went to a second round, Fujimori would obtain 46.8 percent and Perez de Cuellar 40.3 percent.

A survey by Imasen in April showed the electoral preference also leaned in Fujimori's favor with 45.6 percent compared to 43.6 percent for the former UN secretary general.

Lima Mayor Ricardo Belmont, who has just announced his candidacy, received 14 percent support while former President Fernando Belaunde received only one percent.

Belaunde's electoral campaign, which started a few months ago, appears the most aggressive.

"Authoritarianism must not continue at Government Palace," stated Belaunde who said the article of the 1993 Constitution that authorizes immediate presidential reelection "is an adventure that harms the people of Peru and America."

The Datum polling enterprise announced that the candidate must establish a real relationship with electors because his success or failure relies on a harmony between what he preaches and what the people need.

Another polling enterprise, CPI [expansion unknown], has found the candidates must appear independent and must reconcile social aspects with the modernization of the economy.

Other enterprises maintain that the discrepancies between what candidates promise during campaigns and what happens once elected has caused the people to disbelieve in political speeches.

The Forum enterprise has stated that "nefarious experiences of the past mean the people no longer want political speeches, rather direct messages, free of superfluous words."

Former President Seeks 'Pact' With Fujimori

PY1506000294 Lima EXPRESO in Spanish 5 Jun 94 p A2

[From the Manuel D'Ornellas' Column: "Playing With Fire"]

[Text] There is no doubt: Alan Garcia is trying to negotiate with Fujimori's government so that based on the alleged "ruling," which is just a preliminary report, by the OAS Inter-American Human Rights Committee, he would be allowed to return to Peru without any risk of prison or trial.

This strategy was reported by congressman Fernando Olivera and it is obvious to all: First during an interview with the U.S. television station CNN, and then with the local RPP [Radio Programas del Peru], Garcia extends a bouquet to Fujimori, saying he agrees with him, that he recognizes Fujimori's good government.

The political message is clear: If Alan Garcia gets what he wants, he would support Fujimori with his party's vote at the forthcoming elections slated for next year. That vote could tip the balance in favor of the president

and end the virtual tie, as demonstrated by the polls between Fujimori and Perez de Cuellar, should the latter finally launch his candidacy.

Strategists of this rapprochement between the government and APRA [American Popular Revolutionary Alliance] assume that the vote controlled by Alan Garcia would be about 15 percent of overall votes, based on the results of the 1990 elections. This may be somewhat exaggerated if we consider the latest municipal elections where APRA was practically torn to pieces at the ballot boxes. Also, nothing guarantees that APRA members will blindly follow Alan Garcia's electoral instructions, as happened over the order given by Haya de la Torres in 1956 and which led Manuel Prado to victory.

Meanwhile, the possibility that Alan Garcia might be negotiating some sort of a pact with Fujimori is already rattling APRA. Agustin Mantilla, who was recently released—was his release an offering to Garcia?—claims that it is impossible to dialogue "with a dictatorship." This position was immediately supported by Hugo Otero, a tireless applauder of the former president of the Republic (as we see it, the most fearful enemy facing the unity of APRA continues to be the former president's self-exile).

Worst of all, however, is the fact that members of the government seem to be flirting with the idea of negotiating with Garcia, of bartering his impunity for an electoral endorsement. If this is consolidated, it would be an even greater error than the clumsy rapprochement attempt with Abimael Guzman, which included sending a birthday cake to Iparraguirre, which deprived the government of so many votes in the 31 October 1993 referendum. Any whitewash of Garcia would be Fujimori's ethical and political funeral.

Uruguay

Abreu, Argentina's Di Tella Sign Dam Accord

PY1406202294 Montevideo EL PAIS in Spanish 4 Jun 94 p 9

[Text] Our government will begin to receive about $100 million per year in revenues from the Salto Grande hydroelectric dam project following the signing by Uruguayan Foreign Minister Sergio Abreu and Argentine Foreign Minister Guido Di Tella yesterday in Buenos Aires of an agreement on the exchange of notes on financial streamlining, a new rate system, and a future reorganization of the Salto Grande Joint Technical Commission.

This agreement marks the completion of one stage of this joint hydroelectric project, which began on 1 April 1974, and the opening of a promising cooperation stage in the field of electric power interconnection as it follows existing efforts toward full electric power integration between Argentina and Uruguay.

The agreement complements an act signed a few days ago within the framework of an agreement on electric power interconnection. Under this act, Argentina will purchase Uruguay's surplus electricity from its Salto Grande dam at 80 percent of the Argentine spot [preceding word in English] market prices.

The financial streamlining of the Salto Grande Joint Technical Commission is the main outcome of the agreement. Thanks to the compensation [not further specified] on its loans and debts, the Salto Grande Joint Technical Commission will have no liability whatsoever.

The agreement also provides for the payment of a debt arising from compensation that Uruguay had to honor, involving unpaid dam construction loans and UTE [General Administration of State Electric Power and Telephones] bills totaling about $380 million. These bills will be paid directly by UTE to the Argentine Republic, which has granted an 11-year deadline.

This financial streamlining paves the way for the hydroelectric project to immediately yield about $100 million per year in revenues for our government.

This agreement also opens a negotiations stage for reorganizing the Salto Grande Joint Technical Commission. The negotiations will seek to reorganize the commission's jurisdiction, concentrating its activities in electric power output and distribution and the adjustment of its operation costs.

The agreement establishes the formation of a working group, coordinated by the two Foreign Ministries, to submit within 60 days a report on the binational agency's institutional reorganization.

Prefabricated Russian Ka-32 Helicopter Arrives

PY1406191894 Montevideo EL OBSERVADOR ECONOMICO in Spanish 7 Jun 94 Free Zone Section p 1

[Text] While thousands of people were arriving in Florida [department] to participate in the San Cono pilgrimage, an enormous truck carrying a bulky cargo arrived at the Florida Free Zone [near the town of Piedra Alta]. It was carrying the first prefabricated Russian helicopter to arrive here. The helicopter will be meticulously assembled in the customs area.

The Ka-32 helicopter, which was used by the Soviet Army during the invasion of Afghanistan, is now being offered to several governments because of its excellent maneuverability and efficiency.

Imaribo S.A., headed by George Bitar and Alex Grebenchtchykov, has negotiated the sale of several of these helicopters to South American countries.

To improve the operation, the enterprise is installed within the Florida Free Zone, where the helicopters will be fully assembled by seven Russian engineers who will reside in the city of Piedra Alta.

Luis Calachi is in charge of the free zone. He told EL OBSERVADOR that each helicopters costs $2.5 million and that Imaribo S.A. intends to build an assembly plant in the free zone to assemble the helicopters that are sold in this region of America.

The container in which these helicopters are shipped is the size of six 20-foot containers. The first arrived on 3 June and was escorted by Transport and Public Works Ministry officials.

The Ka-32 marked a new stage in the development and manufacturing of helicopters in Russia. This version is used to transport cargo in its hold and its outside winch can be used in the construction, mounting, and stringing of electricity power lines. This helicopter is also useful for ocean oil rigs, salvage operations, and to transport sick people.

The helicopter that arrived on 3 June has already been sold to Peru. This unit may be used in the fight against drug trafficking or against the Shining Path organization. The Uruguayan Army supplied a crane to help unload the container.

This type of helicopter can be assembled in three days. Other containers are due to arrive in Florida because sales have been made to other countries in the region.

Volonte Named Herreraism-Wilsonism Faction Candidate

PY1406205294 Montevideo EL PAIS in Spanish 5 Jun 94 p 3

[Report by Alberto Hughes and Victor Darwin Rodriguez]

[Text] Durazno—The Herreraism-Wilsonism [Herreraist faction-Wilson Ferreira Aldunate faction] faction yesterday named Alberto Volonte as its presidential candidate. The ceremony was attended by a big crowd which completely filled the large installations of the Ernesto de Leon municipal stadium.

Volonte announced that on 8 June he will resign as the president of the UTE [General Administration of State Electric Power and Telephones] board of directors and immediately begin to participate in the electoral campaign with his running-mate Alvaro Ramos.

The crowd exceeded the expectations of the organizers. Many said they were witnessing "a phenomenon similar to that observed in 1971 [not further specified]."

A note was read identifying the faction and explaining the reasons behind the choice of Volonte, who was identified as the right person to turn their vision of the country into a reality. It was said that the UTE president shows he is a "tough administrator" who does not "hide his interest in social questions and who shows real sensitivity over the problems of the people."

During his speech, Walter Santoro stressed and recognized the achievements of the current National Party administration.

Venezuela

Seven Banks Closed After Central Bank Decision

PA1406170594 Paris AFP in Spanish 1520 GMT 14 Jun 94

[Text] Caracas, 14 Jun (AFP)—According to similar reports issued in Caracas today, seven Venezuelan commercial banks closed their doors today "until further notice" following a decision by the Central Bank of Venezuela to exclude them from clearinghouse activities.

Although the source did not deny nor confirm the news to AFP, its reporters were able to confirm that the Construccion, Barinas, Maracaibo, La Guaira, Metropolitano, Bancor, Hipotecario de Occidente banks and the Sociedad Financiera Fiveca remained closed today. Despite the fact that the banks were closed, their employees were working while hundreds of customers protested at the doors.

These seven banks and Latino Bank—the country's second largest bank, in which the government intervened in January and which reopened in April with losses of $5 billion—have received financial assistance amounting to $4.300 billion since February to prevent their collapse.

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